Daily Report

Latin America

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FBIS-LAT-90-196 *10 October 1990*

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Rio Group Meeting Previewed, Agenda Detailed

PA1010033690 Caracas Venezolana de Television Canal 8 in Spanish 2300 GMT 9 Oct 90

[Text] The Rio Group meeting will analyze the Bush initiative and the six basic proposals on the developing countries' debt problem approved by the Economic Commision for Latin America and the Caribbean.

The Rio Group's fourth meeting is being held in Caracas and is divided into two parts: The 9-10 October meeting and the 11-12 October meeting. Today's meeting began in the morning. It was attended by high-ranking technical officials, who are drafting the final summit document for the presidents to work on.

The document must be completed by tomorrow so that the foreign ministers' meeting may be held to review the draft, which should be corrected so that it can be presented to the presidents. The presidents will meet on Thursday 11 October at 1500. They will meet again on 12 October for what will be the longest working session scheduled to end that same day between 1900 and 2000 with the approval of the respective document.

The permanent agenda is still the same: integration, drug trafficking, and foreign debt. A new topic has been added and that is the discussion and analysis of Bush's initiative for the Americas. The countries participating in the event are Argentina, Brazil, Colombia, Mexico, Peru, Uruguay, and Venezuela. Chile and Ecuador have joined the meeting on the invitation from the other seven countries. It is not known if the members will discuss—within the agenda but on an informal basis—the future of Panama and its possible return to the Rio Group.

Furthermore, Chilean and Ecuadoran diplomatic representatives believe that their respective countries' contribution can be considerable.

[Begin recording] [Chilean official Carlos Portales] We believe that a dialogue with other countries in the region which have democratic regimes will help us discuss the issue from a regional viewpoint. We will be able to discuss economic issues, international economic changes, and the initiative for the Americas. These are topics in which the exchange of views among our governments will allow us to achieve progress in a way that will strengthen Latin American views.

[Ecuadoran Deputy Foreign Minister Carlos Roales] I believe that we are making a contribution—first of all, to democracy; and secondly, to cooperation with each other and to the strengthening of Latin America's status internationally. [end recording]

Starting today and until 12 October, Caracas will be the site of this important presidential meeting, which will establish the groundwork for new hemispheric relations. The Bush Initiative for the Americas will be thoroughly and carefully reviewed and analyzed.

Cuba

Castro Remarks on Economic Measures Reported

PA0910172990 Paris AFP in Spanish 2049 GMT 6 Oct 90

[Repprt by Bertrand Rosenthal]

[Text] Havana, 6 Oct (AFP)—Cuban President Fidel Castro told AFP the Cuban Communist Party [PCC] will hold its fourth congress during the first six months of 1991 under the rigors of a "special period in times of peace" (a formula that describes the establishment of a wartime economy to tackle energy shortages). Cuba will follow this route in an "inexorable" manner, stressed Castro, adding that the Cuban leaders had even thought of "the worst options."

These statements were made on 5 October at a farewell reception for Yugoslav Ambassador Milos Popovic.

Castro referred to a report saying that the secret vote would be used in electing officials for the municipal and provincial committees between November 1990 and January 1991. He also said there would be a 50-percent reduction in the number of party officials, but the decision to change the Central Committee's voting system had still not been made. The Cuban president said he did not fear losing his post as head of the PCC if secret voting were to be adopted.

Fidel Castro said reducing party bureaucracy is an "example" and announced there would also be "reductions in the government's central organizations."

TRABAJADORES, organ for the Cuban Workers Federation (CTC) that was expanded from a daily to a weekly newspaper, published a report on 6 October saying that the CTC will also reduce its permanent staff.

According to TRABAJADORES, at a trade union plenary meeting held on 5 October, Castro again compared the challenges Cubans face today with what the guerrillas faced between 1956 and 1959 at Sierra Maestra before taking power.

Last week Castro said that during the "special period" hundreds of thousands of workers could be laid off.

TRABAJADORES published today a draft resolution of salary measures to be implemented in the event of unemployment: People who lose their jobs due to the economic measures will receive a whole month's salary the first 30 days and 60 percent of the salary thereafter until they find a job.

In the event that a worker rejects job offers for which he is physically capable, the guaranteed salary will be reduced after the first month of unemployment.

The same draft resolution provides for a five-day work week.

Part of the available manpower will be directed to agriculture, a sector in which "salary errors" were made, which resulted in migration from the fields, Castro told AFP.

The Cuban leader said agricultural wages will be higher than urban wages and added that he followed the Havana food supply plan closely.

TRABAJADORES also announced today that Havana Province residents will once again be allowed to own and raise pigs.

Sends Message to Tanzanian Leader

FL0910235890 Havana Radio Rebelde Network in Spanish 2307 GMT 9 Oct 90

[From the "Exclusivo" program]

[Text] Cuban Vice President Carlos Rafael Rodriguez has delivered a message from Cuban Commander in Chief Fidel Castro to Tanzanian President Ali Hassan Mwinyi. Cuban sources have said that Fidel's message explains the activities carried out by our country to cope with the problems resulting from a shortage of fuel and other products that are essential to the nation's economy. Fidel's letter to the Tanzanian president adds that this situation has been aggravated by the Persian Gulf conflict.

The meeting between Carlos Rafael Rodriguez and the Tanzanian head of state took place in Dar es Salaam, the capital of that African country.

The Cuban leader mentioned the increased tension provoked by the United States with its televised and economic aggressions against Cuba. Carlos Rafael Rodriguez also briefed the Tanzanian statesman on the latest incidents in the political conflict between Washington and Havana.

Castro Meets Soviet Army Delegation

FL0910142790 Havana Radio Reloj Network in Spanish 1402 GMT 9 Oct 90

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, met on Monday afternoon with the high-ranking delegation from the Soviet Armed Forces. Army General Mikhail Alekseyevich Moiseyev, chief of the general staff of the Soviet Armed Forces, heads the delegation, which has been in our country since 6 October. Various subjects of mutual interest were analyzed at the meeting, which was held in a cordial, friendly climate that marks relations between the two countries.

Army General Raul Castro, minister of the Revolutionary Armed Forces, also participated in the meeting. After the meeting, Fidel and Moiseyev visited a group of Soviet Afghanistan veterans who are undergoing treatment at the Frank Pais Hospital in Havana.

Soviet General on Bilateral Ties

FL1010023890 Havana Radio Reloj Network in Spanish 0215 GMT 9 Oct 90

[Text] Army General Mikhail Moiseyev, chief of the General Staff of the Soviet Armed Forces and deputy defense minister, has said that the Soviet people and combatants feel a deep friendship toward the Cuban people.

Moiseyev, who is presiding over a high-level military delegation that is visiting our country, granted an exclusive interview today to the TASS news agency accredited in Havana.

The Soviet general described a meeting held with Commander in Chief Fidel Castro during his stay in Cuba as a very important event, during which he conveyed cordial greetings from President Mikhail Gorbachev.

While visiting the Frank Pais Orthopedic Hospital, Moiseyev said, we were able to observe the affection with which the Cubans treat the Soviet veterans of the Afghan war and how doctors are doing the impossible to improve the combatants' health.

Official Hosts Vietnamese Parliamentarian

BK0910164790 Hanoi VNA in English 1512 GMT 9 Oct 90

[Text] Hanoi VNA October 9 - Ms. Zoila Benitez, vice president of the National Assembly of People's Power of Cuba [as received], recently received in Havana Mrs. Nguyen Thi Binh, head of the Commission for External Relations of Vietnam's National Assembly, while the latter stopped over there on her way to Uruguay for the 84th conference of the Inter-Parliamentary Union.

Ms. Zoila Benitez warmly welcomed Mrs. Binh's visit and highly appreciated the time-honored friendship and solidarity between the two peoples in their common struggle for national independence and freedom.

Malmierca Receives Zimbabwean Counterpart

FL1010003390 Havana Radio Rebelde Network in Spanish 2320 GMT 9 Oct 90

[Text] Zimbabwe Foreign Minister Nathan Shamuyarira and Cuban Foreign Minister Isidoro Malmierca began official talks today at the Cuban Foreign Ministry. The two ministers reviewed bilateral relations and exchanged ideas regarding international issues, particularly the situations prevailing in the Persian Gulf, South Africa, southern Africa, and Latin America.

The Movement of Nonaligned Countries was discussed in detail. The two ministers agreed that it is necessary for that organization to be strengthened and to play a role at this important juncture in international affairs.

The two foreign ministers emphasized their closely convergent viewpoints on the issues discussed and described their talks as very useful and enlightening.

Barbados

Sandiford Praises Germany, Urges Integration

FL0910194590 Bridgetown CANA in English 1754 GMT 9 Oct 90

[Text] Bridgetown, Barbados, Oct 9, CANA—Prime Minister Erskine Sandiford urged Caribbean countries on Monday night to grasp available opportunities for achieving greater unity and spare the region from being bypassed by history. The Barbados leader, in an address at the opening of the headquarters of the West Indian Commission, said Caribbean countries should "take a leaf from the Germans' book" and proceed without delay towards greater unity in the context of the Caribbean Community (Caricom).

Germany, divided into two nations following World War II, became united again last week. "If (the Germans) had waited for all the "i's" to be dotted and all the "t's" to be crossed, there would be no unified Germany today," he said. "If they had waited until they had devised solutions for all the social and economic problems which a united Germany must now face, there would no unified Germany today."

As steps towards greater unity, Sandiford urged Caricom countries to proceed immediately with establishing a single market, a regional stock exchange, a Caribbean court of appeal, an assembly of Caribbean parliamentarians, a Caribbean foundation for art and culture, and a Caricom emergency response mechanism.

"These ... institutions .... are essential to our integration process. Let us therefore now put these stepping stones in place to facilitate our move towards close Caribbean unity," he said. "If some members of the Caribbean community should feel that they are not yet ready to proceed, this should not be a hindrance to the others. The door will always be left open for their admission."

The West Indian Commission, chaired by former Commonwealth Secretary-General Sir Shridath Ramphal, has been mandated by Caricom governments to chart a new direction for the region based on the broad-based views of the community. It will submit its report in 1992.

Sandiford said Barbados was taking "a very close interest" in current discussions involving the four Windward Islands—Dominica, Grenada, St. Lucia, and St. Vincent and the Grenadines—concerning the creation of a political union within the sub-regional Organisation of Eastern Caribbean States (OECS). If invited, he said, Barbados would be willing to sit in on these discussions as an observer.

Grenada

Official Requests Technical, Economic Aid

FL0910200090 Bridgetown CANA in English 1900 GMT 9 Oct 90

[Text] United Nations, Oct 9, CANA—Grenada has asked the international community to channel more financial and technical aid to the Commonwealth Caribbean.

"While we welcome political changes in Eastern Europe, my government will continue to appeal for higher and more diversified levels of assistance for countries such as ours," Grenada's Deputy Minister of External Affairs Denis Noel told the United Nations General Assembly. Noel said that the Grenada Government also wanted the international community to significantly relax the "disabling conditionalities regularly imposed by international financial institutions" on Third World states.

"Such developments we contend will help avoid economic, social, and political instability with their attendant consequencies," he told the international body. Noel, delivering the first foreign policy statement here of the Nicholas Brathwaite administration, said that although the government had set its priorities for "sustained growth and balanced development," its revenues were "hard pressed". He said a "massive fire" in the capital earlier this year, which destroyed a number of government offices, had hurt the island's economic recovery programme.

"It has also weakened our ability to service our debts and our membership contribution to certain international organisations," he added. Noel said that the July coup attempt by a Black Muslim group in Trinidad and Tobago had served to "underscore the patent vulnerability of small states, and to demonstrate that threats to peace and security can emerge from any quarter..." He said the coup attempt also provided an opportunity for developed countries to "show greater sensitivity to the conditions affecting small states".

Noel said it was for this reason that Grenada was anxious to receive "concrete assurances" that Third World countries would "not be the losers" as the developed world turned its attention towards Eastern Europe. Noel also appealed to the international community for assistance in fighting the drug trade.

"My government anticipates greater levels of international collaboration and cooperation in addressing problems of drug production, trafficking, addiction, interdiction and rehabilitation," he said.

Haiti

UN Observer Team To Monitor Elections

FL0910140390 Bonaire Tans World Radio in English 1130 GMT 9 Oct 90

[Text] Haiti's electoral council says it is basically happy with the voter registration for the upcoming election. Close to 10 percent of the three million voters have already registered even though the elections are not until December.

The United Nations is preparing to send an observer team of 340 strong to monitor the elections in Haiti. There have been some problems cropping up, namely lack of transportation facilities to distribute ballot books and the absence of military personnel in certain areas to guarantee security. There have also been some rumblings of discontent on the part of former Duvalierists who are forbidden to participate in the elections under Haiti's new Constitution.

Newspaper Said To Note U.S. Role in Elections

FL0910131090 Port-au-Prince Radio Metropole in French 1600 GMT 5 Oct 90

[Text] In yesterday's edition, the newspaper "INFORMATION" which resumed publishing as a daily newspaper, with reduced format, carried this headline: "The Request for Electoral Assistance was Imposed Upon President Trouillot by American Ambassador to Haiti Alvin Adams."

Jamaica

Labor Leader Seaga Sacks Four JLP Spokesmen

FL0910164590 Bridgetown CANA in English 1509 GMT 9 Oct 90

[Text] Kingston, Jamaica, Oct 9, CANA—Leader of the opposition Jamaica Labour Party [JLP], Edward Seaga, has revoked the appointments of four JLP members as party spokesmen in the House of Representatives. The four are Pearnel Charles, spokesman on agriculture; Errol Anderson, spokesman on national security; Edmund Bartlett, spokesman on housing; and Douglas Vaz, spokesman on industry. Two weeks ago Seaga sacked Karl Samuda as public utilities spokesman.

A statement from the JLP said that the standing committee of the party had also decided that the five men who have been involved in a squabble with Seaga since March would not be allowed to represent the party as candidates in any future elections. This is the culmination of the many months of internal quarrelling starting with allegations that the telephones of the group who became known as "The Gang of Five" had been tapped. They had also reportedly voiced disapproval of aspects of Seaga's leadership style which has been described by party insiders as autocratic.

Seaga told a party conference earlier in the year that the men had sought to build up themselves by leaking information to the press and "tearing down" others in the party. The latest JLP statement, signed by party chairman Bruce Golding, said the decisions came after a series of initiatives taken to bring the men back into the mainstream of JLP affairs met with no satisfactory response or were frustrated.

However, the men have said in the past that repeated attempts by them over a six-month period to initiate dialogue with Seaga have been snubbed. This included his returning to them unopened a letter in which they requested a meeting.

St. Vincent and the Grenadines

Mitchell Links Gulf Crisis, Palestinian Plight

FL0910184590 Bridgetown CANA in English 1649 GMT 9 Oct 90

[Text] United Nations, Oct 9, CANA—The crisis in the Persian Gulf cannot be resolved unless the issue of a homeland for Palestinians is settled, St. Vincent Prime Minister James Mitchell has said.

"We remain convinced that no settlement of the Gulf crisis, which continues to threaten the welfare of all our peoples, can be accomplished without resolving the outstanding issues of a homeland for the Palestinians," he told the United Nations General Assembly Monday. "We who represented the landless poor in our own countries know the fervour with which our own people pursue the objective of owning their own lands and homes."

In what is being described by diplomats and observers at the UN as an unusual position for a Caribbean Community country, Mitchell told the 45th session of the UN General Assembly that while a peaceful solution to the Gulf crisis—triggered by Iraq's invasion and annexation of Kuwait—was in "the best interest of the international community," something had to be done about the poor, homeless Palestinians.

"The government of St. Vincent and the Grenadines unequivocally supports the call for Iraq's withdrawal from the territory of Kuwait," he said. "No small vulnerable country in the United Nations system can be expected to adopt any other stand, and we are fortunate that the United Nations exists to provide a forum for international opinion against plunder to be stated.

"I support the proposal put forward by President (Francois) Mitterand of the Republic of France that an international conference be called to attempt to settle the outstanding issues of the Middle East," Mitchell went on. "I wish to state that I consider the elegant presentation of President Mitterand to be the most lucid advice ever put forward to resolve the Middle East crisis.

Mitchell is one of the few Western Hemisphere leaders to link the Persian Gulf crisis and the Palestinian question. His position has put his country at odds with the U.S. and Israel. The Bush Administration does not embrace the French proposal and Israel opposes the international peace conference on the Middle East.

Mitchell urged the industrial and nuclear powers to use some of the savings from disarmament to help protect the environment around the world. The prime minister said that "halting desertification" in Africa should be at the top of the list of environmental projects to be financed out of the savings.

"This concept has gained currency elsewhere, and I still wish that it be considered a principle to be generally endorsed," he declared. "There is need, however, to ensure that there is greater international coordination of the various initiatives being undertaken to address environmental issues. We do not need new agencies."

As for Haiti, Mitchell called on the UN to give the French-speaking Republic the help it recently requested so that it would be able to hold free and fair elections in December. "While the people of Haiti must ultimately determine their own destiny and that of their country, the support of the international community is a necessary condition for the country's early progress towards democracy and development," he went on.

The St. Vincent and the Grenadines leader also spoke about unification of East and West Germany, saying that it was not only a "historic" move but an important lesson for the Caribbean as well. "We in the Caribbean recognise the need for our political unification and I pray that the day will come when we can present this Assembly with a request to recognise the new status that should attend our current initiatives," he remarked.

Salinas Makes Economic Market Proposal

PA1010041790 Mexico City NOTIMEX in Spanish 1700 GMT 9 Oct 90

[Report by Mariana Pliego]

[Text] Montevideo, 9 Oct (NOTIMEX)—Mexican President Carlos Salinas De Gortari proposed here today a 10-point strategy to consolidate the expansion of the Latin American market.

Chairing an extraordinary session of the Latin American Integration Association (ALADI), Salinas De Gortari said that Mexico will open its borders to products from the region, offering low tariffs and eliminating protectionist barriers.

He noted that the number of products in the Latin American market will be expanded and that fixed import tariffs or equivalent mechanisms will be established among countries that negotiate bilateral agreements.

The Mexican president's strategy includes eliminating non-tariff barriers for all of the region's products, with the exception of some that are very sensitive.

President Salinas de Gortari also advocated a timetable for the elimination of export subsidies and discriminatory tariffs, and asked for the elimination of all transportation obstacles to foreign trade.

Among other things, the Mexican proposal is intended to lay ground rules to avoid three-way transactions and to expedite impartial procedures to resolve trade controversies.

Salinas de Gortari stressed the need to establish specific trade and investment programs and the creation of economic subregions compatible with ALADI principles.

The Mexican president defended his proposal stressing that Latin America must now set strong bases of free trade and effective cooperation to move away from the frustration of empty rhetoric.

Otherwise, he said, the societies of the region could succumb and destroy their viability as nations.

"Latin America must take advantage of the world transformation to renew and decisively bolster its cooperation mechanisms," the Mexican president stated.

"Let us turn ALADI into a modern instrument that will promote trade in the region, energize our economies to develop our countries, and increase the welfare of our people," he concluded.

Economic Cooperation Agreement Signed With Chile

PA0710174090 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 4 Oct 90

[Text] Chilean President Patricio Aylwin cut short his three-day visit to Mexico and left yesterday [3 October], even though he was expected to stay here until today. Nevertheless, Mexico and Chile began a process of economic cooperation that is without precedent, by signing an agreement that will be implemented in the years ahead. In signing this document, Mexican President Carlos Salinas de Gortari and Chilean President Aylwin strengthened the ties of friendship that have traditionally existed between the two nations, although these ties were severed by the 1973 military coup in Chile. Here is Roberto Garduno.

[Garduno] Presidents Salinas and Aylwin signed an economic cooperation agreement intended to create a market between the two countries. Salinas and Aylwin vowed to promote talks in the fields of air transport, environment, mining, and social security. The two leaders voiced their trust new agreements will be reached in the near future. With regard to when the Mexico-Chile commercial agreement will be implemented, Chilean Treasury Minister Alejandro Foxley said:

[Begin Foxley recording] This is the start of an agreement that will get underway on 1 January 1991. In four or five years, we will conclude the agreement with zero tariffs and integrated economies. That is the goal and a tremendous challenge. [end recording]

[Garduno] The economic process between the two countries took its first steps yesterday when the two presidents signed cooperation agreements in the areas of treasury and finances, science and technology, culture, education, extradition, and mutual legal assistance to fight drug trafficking and drug abuse. This way, Mexico and Chile, two countries joined by history, begin a rapprochement process that will benefit all of Latin America.

El Salvador

Government Announces Gasoline, Diesel Price Hike

PA1010041590 San Salvador Canal Doce Television in Spanish 0301 GMT 10 Oct 90

[Text] In a communique, the Salvadoran Government has announced that, as of today, the price of premium and regular gasoline has been increased by 55 percent, the price of diesel fuel for general transportation has been increased by 17 percent, and the price of diesel fuel for public transportation will stay at 1.70 colons to prevent a fare increase. According to the communique, the price of propane used in hospitals, charity centers, and markets will also remain unchanged. The 55 percent rise in the price of gasoline will affect the 10 percent of the population that owns vehicles, not the great majority that uses public transportation. If this measure had not been adopted, the announcement said, the government would have been forced to finance the losses, amounting to millions of colons, with Central Bank funds, which would cause an inflation rate higher than anticipated for 1990.

President Alfredo Cristiani said this morning that if the price of gasoline is raised, the subsidized diesel fuel price would be least affected to avoid introducing additional pressure on the transportation sector. The president criticized the threats of a new labor strike by the unions, particularly the one announced by ANDES [National Association of Salvadoran Teachers] for Thursday.

[Begin Cristiani recording] We have always taken measures to try to prevent needy sectors from suffering the consequences. We have always felt that those of us who have a little more should help those who have less. In this particular case, we will continue to follow this policy. [end recording]

Cristiani also referred to alleged gasoline contraband, but said he does not have an official report to offer, as Honduran diplomatic sources have indicated. According to the president, these sources have requested that the price of fuel in Honduras be equal to that of other area countries. Cristiani also referred to his recent remarks on labor leaders who try to destabilize his government. He disapproved today of the ANDES announcement that they will declare a general strike on Thursday under the pretext that the Legislative Assembly has not passed the General Education Law amendments.

[Begin recording] [Unidentified reporter] What do you think of this situation?

[Cristiani] I consider it unnecessary, because in the document signed after an accord was reached with the Education Ministry, the teachers pledged not to resort to strikes. I want to reiterate that this strike is not necessary. The amendment has been proposed. The Legislative Assembly surely has had too much work. Besides, the government has done what it should have done by sending the amendment on the General Education Law to the Assembly. [end recording]

The president said that stringent measures will be taken against the leaders who promote political instead of labor actions.

Montano Denies Violence Planned Against People

PA1010020490 San Salvador DIARIO LATINO in Spanish 6 Oct 90 p 6

[Text] The Armed Forces have no intention of promoting any institutional violence, even if the U.S. Congress reduces its military aid, deputy Public Security Minister Colonel Inocente Orlando Montano stated today.

Montano was responding to statements made earlier by Ciro Cruz Zepeda, leader of the PCN [National Conciliation Party], who said that some soldiers, without specifying who, would increase violence against the people if military aid is cut.

The deputy security minister said that the institution is professional enough not to act as the politician claims it will.

"He has his views," the officer said. He also deplored the fact that the guerrillas had rejected President Alfredo Cristiani's unilateral cease-fire proposal.

The officer said that the government and Armed Forces are working to secure peace in the country, despite the impasse in the talks between the two parties.

Montano also spoke of the difficulties that the military might face as an institution if the aid is cut, but noted that the Armed Forces are in a position to continue to confront the guerrillas, with or without the aid.

The military officer denied that the government and the Armed Forces are drafting a plan to capture labor leaders, as the UNTS [National Union of Salvadoran Workers] has charged.

The deputy security minister made the statements after presiding over the ceremony to commemorate the 54th founding anniversary of the Customs Police. The event was also attended by General Rafael Antonio Villamariona, the Air Force commander, and Colonel Omar Napoleon Avalos, director of the Customs Police, among others.

Merino Rejects FMLN Attitude Toward Talks

PA1010031290 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 9 Oct 90

[Text] Salvadoran Vice President Francisco Merino disapproves of remarks made by certain guerrilla leaders, according to whom expectations for the next round of negotiations scheduled to take place in Mexico are not very high. In Merino's opinion, the attitude of the Farabundo Marti National Liberation Front [FMLN] toward the possible outcome of the forthcoming peace

talks with the government during the first week in November is negative and inconsistent with changes the world over.

The vice president insisted that the government will once again approach the negotiating table fully resolved to continue to explore the possibility of reaching agreements, not only concerning the Armed Forces issue, but other points on the agenda as well. The FMLN has warned that a cease-fire will be possible only if both sides first reach political agreements on military, electoral, judicial, and human rights issues. Meanwhile, the government has proposed a unilateral cease-fire to establish a favorable climate.

Issues such as dismantling the Armed Forces and the demilitarization of Salvadoran society have blocked the talks, even after the government and the FMLN on 26 July signed a human rights agreement. Referring to the FMLN's announced plan to step up its military actions if the talks fail, Merino said that this is a sign of desperation, an action that is inconsistent with the reality of the outside world.

Following several days [of inactivity], the guerrillas resumed their attacks on the Army when they fired on guards at the main penitentiary in northern San Salvador. One inmate and one soldier were killed in the attack on the Mariona penitentiary and seven other soldiers were wounded. The penitentiary also sustained damage. A last minute report now indicates that two inmates were killed and 11 were wounded.

Two Reported Killed in FMLN Prison Attack

PA1010043790 San Salvador Canal Doce Television in Spanish 0300 GMT 9 Oct 90

[Report by Ernesto Rivas; passages in italics are recorded]

[Text] At least two people were killed and six others were wounded last night during a violent attack by the Farabundo Marti National Liberation Front [FMLN] against military positions at the Mariona prison. According to local residents, the rebel attack against this penitentiary, located about three km from the capital, began at 2300 and lasted three and a half hours.

[Unidentified man] *It was a direct attack.*

[Unidentified reporter] *Was anyone killed?*

[Man] *Only four wounded.*

[Reporter] *Were they soldiers guarding the prison or inmates?*

[Man] *They were guardsmen, security guards.*

[Reporter] *No one was killed?*

[Man] *No, no.*

There were also casualties inflicted on the 1st Infantry Brigade, according to Colonel Francisco Elena Fuentes.

[Fuentes] *We sustained casualties. A soldier was killed and two were wounded. As for the prison, we have received reports that one of the inmates is missing. We do not know if he escaped through the hole that was made or if he is hiding inside.*

As for the inmate who tried to escape, it was later learned that he had died after failing in his attempt to escape. Elena Fuentes also said that the FMLN continues to issue propaganda instead of carrying out military actions.

[Fuentes] *They are mostly issuing propaganda because we have held talks with local authorities, and they have told us that there is no reason to attack the prison.*

After the attack, 1st Infantry Brigade soldiers combed the areas near the La Esperanza Prison, where civilians expressed their concern.

[Unidentified woman] *We are extremely concerned about these incidents outside the prison.*

Military sources said that several rebels were wounded and were evacuated from the area to an unknown location. The sources said that catapults, M-79 mortars, RPG-18, and rifle fire were used during the attack.

Guatemala

New Economy Minister, Deputy Minister Sworn In

PA0710192890 Guatemala City Teleonce Television in Spanish 0400 GMT 4 Oct 90

[Report on interview with new Economy Minister Antonio Blanco by unidentified reporter; place and date not given]

[Text] Ceremonies to install a new economy minister took place on 3 October. Dr. Antonio Blanco was appointed to replace Oscar Pineda Robles, who is now president of the Bank of Guatemala. It was initially stated that Antonio Blanco would be appointed acting minister; however, Luis Alberto Cifuentes De Leon—who was domestic trade director until now—was appointed deputy economy minister. Dr. Oscar Evans, who has worked in the Economy Ministry for several years, will be proposed for the post of domestic trade director. At the conclusion of the ceremony, Minister Antonio Blanco said he intends to continue the policies of Pineda Robles.

[Begin recording] [Blanco] The importance of the emergency plan lies in the issuance of a price list and people abiding by them where things are sold. It is important because there are regulations that make it mandatory to put price tags on the products.

It is likewise necessary to verify if prices agree with the limits established on the appropriate lists, and to ascertain if those that do not agree with the lists are within acceptable limits. We believe that we are duty bound to heed the people's demands concerning the tendency to increase prices; and we will adopt every necessary control measure to curb this kind of behavior—which significantly and negatively affects most of the population.

We will continue to investigate any reports we receive about the alteration of prices and the hoarding of products. We are also [words indistinct] so that these persons are prosecuted, where the judicial authorities will follow up on the reports to achieve results.

[Reporter] Will you establish a pricing limit?

[Blanco] We believe that market behavior will tell us what measures should be adopted at any given moment. There are no specific limits; we are not talking about a recipe—if I may use the word. The circumstances will let us decide what prices should be controlled and what should not be controlled, provided that the producers and businessmen act accordingly.

For example, a level of prices that reflects a noticeable drop in the foreign exchange rate, which is what has been happening, should prompt us to adopt measures, which might even involve increasing prices on the price list. [end recording]

Former Minister Unhurt in Armed Attack

PA0610214490 Panama City ACAN in Spanish 1921 GMT 5 Oct 90

[Text] Guatemala City, 5 Oct (ACAN - EFE)—According to a political source, Juan Jose Rodil Peralta, fomer government minister of Guatemala's ruling Christian Democratic Party, was unharmed in an armed attempt on his life that took place in a residential area of Guatemala City.

Mario Ramirez Ruiz, spokesman for the National Union Center [UCN]—the leading opposition party—told the press that the armored vehicle Rodil was riding in had 60 bullet holes.

Rodil, who joined UCN in June, is the current Democratic Party [PD] secretary general.

Ramirez said that actions like this "endanger the electoral process," which will culminate with the general and legislative elections to be held on 11 November.

This attack is added to the murder of Deputy Otto Rolando Ruano in July; the assassination of two mayoral candidates; and the attempted kidnapping of Juan Carlos Simons, deputy candidate for the Central American Parliament.

The UCN has asked the government to investigate the acts of violence that affect the party and "check the political gangsterism that ravages Guatemala," Ramirez said.

Attacks Against UCN Leaders Reported

PA0910202390

[Editorial Report] Guatemala City PRENSA LIBRE in Spanish on 6 October on page 6 publishes a 300-word article reporting that former Government Minister Juan Jose Rodil Peralta was unharmed following an armed attack in Guatemala City on 5 October. Rodil said he was attacked outside his armored vehicle inside a building and does not know who the assailants may have been. Rodil said that since he left the Government Ministry, he has maintained cordial and respectful relations with President Cerezo, but he definitely does not maintain good personal or political relations with some of the other members of the Christian Democratic Party, PDC. "I only know that I am an opposition politician waging a legal struggle to prevent the PDC from ruling the country again over the next five-year period," he said.

The same PRENSA LIBRE issue on page 6 also carries a 150-word report saying that U.S. Ambassador Thomas F. Stroock condemned the attack against Rodil Peralta and said "there is no place in the world today for people or organizations attempting to carry out political assassinations." A U.S. Embassy communique stated: "All the members of this diplomatic mission were pleased to hear that the attack was unsuccessful. Mr. Rodil is a Guatemalan citizen of great competence and integrity."

Guatemala City SIGLO VEINTIUNO in Spanish on 6 October on page 5 carries a 200-word report on an attack against Deputy Oiverio Garcia Rodas, president of the Congressional Human Rights Commission. The report says that three unidentified men tried to murder him in the city of Escuintla, on the road leading to Mazatenango. Asked about the incident, Rodas confirmed it but did not provide any further detail. A National Union Center, UCN, leader said, however, that Rodas was physically attacked outside a cafeteria but was unharmed.

The same issue of SIGLO VEINTIUNO on page 11 publishes a 300-word article saying that the UCN is on alert after two of its leaders, Juan Jose Rodil and Oliverio Garcia Rodas, were attacked. It expressed concern over the safety of presidential candidate Jorge Carpio Nicolle. The UCN said the criminals are trying to do away with the democratic process and the election campaign.

500 Armed Policemen Refuse Transfer

PA0510164190 Panama City ACAN in Spanish 1521 GMT 5 Oct 90

[Text] Guatemala City, 5 Oct (ACAN-EFE)—Last night, approximately 500 policemen refused to surrender their weapons and be transferred to police stations in the interior of the country.

This is the first time in the history of the Guatemalan Police Corps that policemen have taken such a position. The event took place when the institution's main authorities ordered that the 500 policemen be transferred and replaced with technical school students.

The policemen who rebelled stated to the press today that they disagreed with the transfer because they are being sent to remote places of the country.

Police Director Colonel Julio Caballeros has not made comments concerning this event.

Chief Dismissed; Policemen Disarmed

PA0710185790 Panama City ACAN in Spanish 1754 GMT 5 Oct 90

[Text] Guatemala City, 5 Oct (ACAN-EFE)—The chief of the Third Corps of the Guatemalan National Police, Reyes Gumercindo Lopez, was dismissed today, and 35 of 500 policemen who refused to obey orders last night have been arrested, disarmed, and turned over to the courts of justice, it has been officially announced.

A police commander, who requested that he not be identified, told ACAN-EFE that Lopez was dismissed for his "lack of ability" to handle an administrative decision.

Evidence of corruption was uncovered in the Third Corps, headquartered in Guatemala City, therefore, the authorities decided to transfer its personnel to several stations in the interior of the country. The commander explained that this order was not complied with and this led to insubordination by the 500 policemen.

Lopez and the 35 policemen who were arrested and disarmed were all discharged from the National Police, the same source pointed out. The source explained that not all members of the Third Corps are corrupt, but the transfer order remains in effect.

The commander said that students from the Technical Police Academy were sent to the Third Corps to replace the policemen who will be dismissed from their posts.

According to the penal code, the dismissed chief of the Third Corps might be sentenced to one to three years in prison and to pay a fine for not having complied with orders given to him by his superiors.

Rios Montt: Not Responsible for Bloodshed

PA0510152590 Panama City ACAN in Spanish 1418 GMT 26 Sep 90

[Text] Guatemala City, 26 Sep (ACAN-EFE)—Retired General Efrain Rios Montt, the Guatemalan presidential candidate who ruled the nation after a coup d'etat in 1982, said today: "It will not be my fault if there is bloodshed." He made his comment regarding the possibility that the courts will rule he cannot participate in the upcoming 11 November elections.

"If in the end I am not allowed to participate, it will be difficult to avoid bloodshed, even though I will uphold the law and not go against the decision," Rios Montt told ACAN-EFE. Montt warned, "It is Vinicio Cerezo's government that will have the problem."

The 64-year old general, who is ahead of all other candidates—according to the latest polls—reiterated that, in the case of an adverse decision by the courts, he would not urge his sympathizers to go out and publicly demonstrate. Montt said: "This could lead to a civil war, and I do not want my hands stained with innocent blood."

The Constitutional Court and the Supreme Electoral Tribune have handed down verdicts against Rios Montt's candidacy, given that on a previous occasion he had become president after staging a coup d'etat. Nevertheless, the Supreme Court has accepted a provisional writ of amparo allowing that he be listed as a candidate.

The Supreme Court should be handing down its verdict shortly on the validity of the appeal and decide if the general can be a candidate. Rios Montt, however, who has filed a last appeal before the Constitutional Court, appeared confident and said that he will be "on the ballots," just like the other candidates.

The ability of the general and his lawyers to hold back the definite sentence by the court on his participation as a candidate has resulted in great expectation in Guatemala. Here, his growing popular support contrasts with the astonishment sparked among a majority of political and diplomatic circles by the mere possibility of him becoming the next president.

Rene de Leon, Social Christian Party candidate and president of the International Christian Democratic Party during the 17 months that Rios Montt ruled, recalled the violence in Guatemala during this period and said: "If he wins, it will have a severe impact on Guatemalan society, unleashing major convulsions."

The general, whom numerous international organizations blame for the deaths of thousands of persons, rejected such accusations and upholds that General Romeo Lucas Garcia—in power before him, from 1978 to March 1982—was responsible for the overwhelming violence.

When questioned on the destruction of Indian villages by military forces in the Ixchil area, near the Mexican border, in actions allegedly intended to eliminate the guerrillas, Rios Montt said: "I took all the blame for General Lucas. During his rule there were so many massacres in Guatemala that the death of a dog was regretted more than that of a person."

Rios Montt accused General Lucas—who currently lives in Venezuela—of the massive Indian flight into Mexico and blamed "organizations that are a front for international communism, such as Amnesty International, Americas Watch, and the Churches Ecumenical Council" for the image created abroad of his administration.

When questioned on the measures he would adopt during the first week of his administration—should he win the elections—Rios Montt explained: "I will cut the budget 25 percent. I will auction off state assets to compensate many people. I will destroy the money-printing machines. I will call for a social peace treaty to stabilize the economy in 120 days."

Rios Montt also said that he was in favor of the Guatemalan National Revolutionary Unity (URNG) "first admitting being comprised of delinquents and, after accepting the amnesty, transforming into a political party."

The general, who insisted on "complying with the law," did not appear in favor of restoring special powers to the courts that were in force during his presidency—powers that allowed the courts to pronounce sentence in summary trials held in secret places, as overseen by judges he appointed who performed their duties without anyone seeing their faces.

Nevertheless, he advocated once more protecting the identity of the judges "in the fight against drug trafficking, terrorism, and associated political crimes."

Rios Montt rejected the possibility that his election could lead to the international isolation of Guatemala—as his opponents uphold and which many diplomats contend. If I win, added the general, "they will have to respect the people's vote."

Guerrillas Claim Indifference on Elections

PA0710194090 Paris AFP in Spanish 0500 GMT 4 Oct 90

[Text] San Jose, 4 Oct (AFP)—The leftist guerrilla movement of Guatemala on 3 October declared itself "indifferent" about the general elections to be held on 11 November, "because they will only serve to continue the counterinsurgency."

Hector Nuila, spokesman for the Guatemalan National Revolutionary Unity (URNG), said, in San Jose, Costa Rica that "none of the parties that will run in the election have a plan to offer to the country's majority, and the elections are only intended to reaffirm the existing model directed toward extermination of the guerrillas."

According to Nuila, it would "make no difference" to the guerrillas of Guatemala if retired General Efrain Rios Montt, who governed with an iron fist during the past decade after rising to power by means of a coup d'etat, were to win.

Nuila also assured that the guerrillas, who stepped up their military operations during August and September, would not try to prevent the elections, nor would they call for voters to abstain or cast null votes.

PSD Calls Cerezo 'Accomplice' in Two Murders

PA0910032890 Panama City ACAN in Spanish 1606 GMT 6 Oct 90

[Text] Guatemala City, 6 Oct (ACAN - EFE)—Guatemala's Democratic Socialist Party (PSD) today accused President Vinicio Cerezo of being an "accomplice" in the murders of Salvadoran politician Hector Oqueli and his companion, Guatemalan Hilda Flores, last January. PSD Secretary Mario Solorzano, on behalf of the Socialist International (IS), voiced his dissatisfaction with the government investigation of the murders because it contained "grave and crass flaws." "From a personal standpoint, as well as from the standpoint of the PSD, Vinicio Cerezo is as much an accomplice as the perpetrators of this crime. A person who does something and a person who lets him do it are equally guilty, and that is why we hold him responsible for the two murders," he remarked. According to the government's report, retired Salvadoran Major Roberto D'Aubuisson, president for life of that country's ruling Nationalist Republican Alliance (ARENA), masterminded the murders.

Solorzano stated, however, in a report distributed to the press that the Guatemalan Government has not shown any inclination to investigate who was really involved. The PSD secretary said Cerezo and Government Minister Carlos Morales contradicted each other; while Cerezo pinned the blame on the Salvadoran right, the minister accused the left. Solorzano added that FBI agent Joseph Gannun told him that some Guatemalan officers had decided to investigate the matter but were prevented from doing so by higher authorities. He added that those officers had taken blood samples that could reveal the chemical substance injected into Oqueli and Flores before they were murdered in an area southeast of the country.

Solorzano, who is flying today to New York to attend an IS meeting, said "President Cerezo has hidden the truth regarding the murders," since one can conclude that a joint Salvadoran and Guatemalan group is responsible. Oqueli, a Salvadoran social democratic leader, was recognized and stopped upon arriving at Guatemala's airport. He was later followed by armed men, Solorzano noted, adding that upon his return from New York, he will give the full report on the case.

Recent Army-URNG Fighting Reported

PA0710190190 Guatemala City PRENSA LIBRE in Spanish 4 Oct 90 p 8

[Text] A CERIGUA News Agency dispatch cites the Guatemalan National Revolutionary Unity [URNG] as stating that the Army sustained 21 casualties and the rebels two in fighting reported in the southern region—a region very important to the country's economy for its vast production of export agricultural products.

The URNG states that on 26 September the rebels seized a stretch of the Pacific Highway that leads to Mexico, where they held a rally and later inflicted six casualties on the Army during two ambushes of troops that came into the area. The report notes that on 23 and 19 September, the rebels seized La Floresta Farm in Escuintla Department and held rallies with area residents. There was another clash with the Army near the La Ceiba Farm, also located in Escuintla. The Army sustained five casualties. This region is a major producer of cotton and sugar cane.

In addition, the rebels fought Army troops for 40 minutes in Siquinala Municipality on 21 September. Paratroopers were involved in fighting in which the guerrillas sustained two casualties and the Army five. Also, on the slopes of the volcano located in Escuintla, a Army column that had been on a combing operation fought with guerrillas on 24 September. The guerrillas set three ambushes on the soldiers and inflicted five more casualties, the CERIGUA dispatch concluded.

Human Rights Office: 276 Killed in 9 Months

PA0710193490 Hamburg DPA in Spanish 1748 GMT 6 Oct 90

[Text] Guatemala City, 6 Oct (DPA)—The Office of the Guatemalan Human Rights Attorney General reported today that there have been 276 political murders in Guatemala over the past nine months and that 145 people have disappeared during one of the most violent times Guatemala has ever experienced.

Cesar Alvarez Guadamuz, assistant human rights attorney general, added that these figures confirm that "flagrant human rights violations continue to occur with absolute impunity" in Guatemala.

Alvarez stressed that this clearly demonstrates that "the government lacks political resolve to protect the people's human rights." He added that the country "is going back to the dark past of the 1980's when we lived amid virtual state terrorism."

Honduras

* Court Rules Drug Use No Crime, User Freed

90WD0765Z Tegucigalpa LA TRIBUNA in Spanish 30 Aug 90 p 69

[Text] Ruling that the use of any drug does not constitute a crime and that inasmuch as the cocaine seized was for individual consumption, the Lower Criminal Court yesterday reversed the prison sentence handed down to former Miss Choluteca Sobeyda Osorio Salomon, who was accused of "improper use of and illegal trafficking in drugs and mind-altering substances" by the National Directorate of Investigations (DNI).

Osorio Salomon was tried on 19 April, along with Estela Maritza Mejia Ortega and businessman Claudio Restrepo, still being held at the Central Penitentiary.

The sentence was reversed based on the following grounds: Prison sentencing is a ruling based on reasonable evidence as well as complete proof of the commission of a crime. In the absence of the same, it is therefore merely provisional and may be modified or reversed, depending on the case.

According to the accusation presented against Sobeyda Araceli Osorio Salomon by the DNI, there is no reasonable evidence in existing summary reports that she is responsible for the crime of illegal drug trafficking detrimental to the people of Honduras.

While it is true that such evidence did in fact exist against the defendant, based on investigations and procedures carried out by the court and given the amount of cocaine in her possession seized by police, the drug must be considered for individual use in accordance with the ruling issued by the outside expert consulted.

Based on Article 26 (A) of the Law on Improper Use of and Trafficking in Drugs and Mind-Altering Substances, "the use of any drug does not constitute a crime," but rather, conduct subject to the imposition of security measures in effect. The latter, however, must be applied by virtue of the final sentence handed down by the competent judge, according to Article 3 of the Code of Criminal Procedure.

Consequently, based on Articles 92 of the Constitution and Articles 1 and 40 of the Law on the Organization and Attributions of the Courts, the Lower Criminal Court reversed the prison sentence handed down to Osorio Salomon.

The former beauty queen was provisionally released but will remain under the jurisdiction of the court and must report every Friday morning to the judicature that handed down the prison sentence.

Nicaragua

Sandinist Leader Forecasts Government Agreement

PA0910212690 Managua LA PRENSA in Spanish 6 Oct 90 p 1

[Report by Felix Navarrere]

[Text] Dr. Sergio Ramirez Mercado, leader of the Sandinist legislative wing, said on 5 October that the expressions of solidarity over the death of Carlos Nunez have opened the possibility of a future political agreement between the government and the FSLN [Sandinist National Liberation Front].

Ramirez requested the floor during the 5 October regular session to voice his great appreciation for the solidarity expressed by the UNO [National Opposition Union] wing during the funeral of the Sandinist commander. Ramirez referred to the outstanding efforts by Dr. Miriam Arguello, president of the National Assembly, that made it possible for Nunez to have the funeral he deserved.

The Sandinist leader was optimistic when he referred to the national dialogue that resumed two days ago. He said that the FSLN will fully support any social agreement and will see to it that its ranks comply with it.

Ramirez again insisted, however, that any political agreement should come from the Legislative Assembly. He announced that his group will again join the National Consensus Commission that the National Assembly formed and will proceed to immediately discuss the political problems of the nation. The Sandinist wing had pulled out of the commission after the approval of Article Four of the Teachers' Career Law referring to trustworthy positions.

He said that it is possible that in a short period of time, the Sandinist wing might be able to get along very well with the UNO deputies, whom he described as "companeros." This surprised the legislators.

In an uncharacteristic conciliatory manner, Ramirez described as "outstanding" the work done by Dr. Miriam Arguello, president of the Nicaraguan parliament, when she announced that the Sandinist wing will try to prevent any stubborn attitudes and conflicts in the future parliamentary debates and will seek agreements and consensus.

FNT, FSLN Members on National Dialogue

PA0910173090 Managua Radio Sandino in Spanish 1200 GMT 8 Oct 90

[Report on statement by National Workers Front Coordinator Lucio Jiminez and report on interview with Bayardo Arce, commander in the Sandinist National Liberation Front, by unidentified reporter; place and date not given]

[Text] At the national dialogue today, the National Workers Front [FNT] will propose urgent financing for the harvest season and industry as a first step in reactivating the economy. FNT Coordinator Lucio Jimenez said that the government will not be able to halt inflation unless it first finances the sectors of production.

[Begin Jimenez recording] During the working session we held at the FNT, we carefully discussed the problems that are afflicting the workers and the people. One of the most urgent problems we will mention this morning will be the need to finance the productive sectors. The government cannot attempt to control inflation unless it finances the coffee, cotton, and sugar harvests, as well as the construction and industrial sectors, for example the metal products industry. The reactivation of production is what controls inflation. [Words indistinct] no credits for production. Thus, we will insist on this, and we are certain that all productive sectors, regardless of their affiliation, will [words indistinct]. [end recording]

Meanwhile, Commander Bayardo Arce has said that the FSLN [Sandinist National Liberation Front] feels it is possible to reach agreements during the national dialogue which will confront the country's crisis. For this reason, it gave its political support to the dialogue process. The Sandinist politician [word indistinct] a plan for economic adjustments that does not contemplate any financing to mitigate the social cost of the economic program. A solution must be found to this crisis, or this country will sink, he noted.

Let us listen to Arce, a member of the FSLN National Directorate:

[Begin recording] [Arce] The FSLN feels that the government is making a mistake in its approach. It is looking at the Nicaraguan situation as if this were a normal country. Thus, the government has tried to solve problems through these economic adjustment and stabilization programs. The government has not thought through the whole process. They say they will first make the economic adjustments, which will permit the recovery of the economy, and in this way solve the social problems. This cannot occur, however, in our present situation.

It is perfectly feasible to carry out this type of program with the IMF's understanding and support, but everything depends on what one proposes to the IMF. If one, however, approaches the IMF with the attitude of a student—that is, to listen only—the IMF technocrats in Washington will [words indistinct]. I believe that this is the problem that the current government officials are having.

[Reporter] Do you think practical agreements will be reached in this first national dialogue process?

[Arce] I think so. Otherwise, the FSLN would not have given its political support to this government initiative and to the FSLN-related labor groups and producers' organizations that are participating in it. We believe that the dialogue is possible. I believe, however, that it will be

a complex process, and I do not think it is a very good idea to be [word indistinct] over television. People keep looking at themselves in the cameras and do not seek to make patriotic contributions. I am not saying, however, that such an event should be like a black mass. The event should be open to the local and international press and to any citizen who wants to go there.

I believe that, in spite of all obstacles, a solution will be reached. The problem is that Nicaragua cannot remain where it is. It must change. It must adopt to changes. It must solve all the problems accumulated because of the war. If Nicaragua does not do this now, it will be worse later. It will be in the worst position. Consequently, a solution must be found. Such a solution will not be that easy. It will be complex. The problem is not whether you dismiss 32,000 or 19,000 employees; the problem is not to dismiss anyone. Everyone should have an opportunity. There should be no unemployment. We must find funds to eradicate the social problems and enable the economy to recover. We should not be saving money to back a fictitious currency. This is what is being discussed at the dialogue. [end recording]

Cosep, Government Economic Plan Criticized

PA1010034990 Managua BARRICADA in Spanish 9 Oct 90 pp 1, 5

[Text] On the third day of the dialogue process, the country's main economic and social organizations rejected a government plan to start implementing an economic adjustment program and instead proposed drafting a social emergency plan.

The government plan calls for a drastic and quick fiscal deficit reduction through the dismissal of workers, a decrease in real salaries, and strict credit restrictions. Only groups linked to Cosep [Higher Council of Private Enterprise] have supported the government proposal.

All the labor organizations refused to pay the basic cost of the adjustments, while business groups and producers not affiliated with Cosep criticized the decrease in production loans, especially now when the harvest of agricultural exports is drawing near.

Organizations affiliated with the FNT [National Workers Front], the National Chamber of Small and Medium-size Industries [Camara Nacional de la Pequena y Mediana Industria—Conpi], and the UNAG [National Union of Farmers and Cattlemen] pointed out that economic policies similar to those being applied in other Latin American countries such as Mexico, Brazil, Venezuela, Argentina, and much less Chile, cannot be applied in Nicaragua.

Instead of the recessive economic measures applied so far and those that are contemplated in the government program, these organizations underscored the need to urgently apply a social emergency plan.

According to Lily Soto, representative of the Union of Nicaraguan Journalists (UPN), that plan would include, among other measures, the following:

a) Financing agrarian, livestock, and industrial production to guarantee the export harvest and the complementary harvest; preventing the overall bankruptcy of industries; and reactivating the economy instead of paralyzing it even more, as Mayorga has been doing;

b) Sustaining the current employment level and creating new jobs to absorb the unemployed work force, which is approximately 500,000 people and represents 40 percent of the economically active population;

c) Establishing a minimum salary that increases the people's purchasing capability and improves industrial and commercial sales, which are currently extremely low and prevent economic reactivation;

d) Conducting an urgent distribution of land to needy peasants, to prevent imminent social rebellion in the countryside;

e) Improving the social budget, particularly in the education and health sectors, to prevent the increase of illiteracy; quickly lower the high infant mortality rate; and provide minimum equipment requirements for hospitals and health centers;

f) Creating a commission to review prices and reduce production costs in the agricultural and industrial sectors.

The organizations that advocate a social emergency plan and reject an increase in dismissals and credit restrictions include several labor unions; the leaders of small and medium-sized industries; agrarian and livestock cooperatives; and small, medium-sized, and large private agrarian and livestock producers, professionals, and technicians.

Postwar Economy

The same organizations have stated their full support for the Nicaraguan Government's position, said President Violeta de Chamorro at the United Nations.

The president addressed the UN General Assembly and said that the situation in Nicaragua amounts to a postwar economy, requiring exceptional treatment from international organizations and the governments of developed countries regarding financial aid and foreign debt.

The United Nations has told the government and the opposition that it is necessary to define the meaning of that exceptional status, a task that was reviewed during the national dialogue.

Cosep Requests Gold Cordoba's Devaluation

Ramiro Gurdian, representative of the Agricultural and Livestock Producers Union of Nicaragua (Upanic), warned that it would be necessary to review the gold cordoba's exchange rate against the dollar.

He said: We must not grow too attached to our currency's parity with the dollar because exports might be affected. The gold cordoba should suffer a devaluation before the end of the year to make agricultural export activities more feasible.

Cosep's Cuadra on FSLN-Government Pact Rumors

PA0910225490 Managua Radio Catolica 1130 GMT 9 Oct 90

[Text] In a statement for "The Awakening" newscast, Gilberto Cuadra, president of the Higher Council of Private Enterprise [Cosep], said that if the government and Daniel Ortega have signed a pact, which grants concessions related to the return of enterprises [to their previous owners] or the privatization of ATC [Association of Agricultural Workers] companies or the famous Army Law, it will have to annul that pact. Otherwise, Nicaragua will inevitably face a worse economic crisis, because no international aid will be received, he added.

Some political and business sectors have said that the government already reached political agreements with the Sandinist National Liberation Front [FSLN] in meetings held outside the Olof Palme Convention Center. The private sector has expressed its concern over the possibility that the goverment may have committed itself by agreeing with Daniel Ortega to suspending the process of returning confiscated companies.

[Begin Cuadra recording] I think that the people's concerns are justified. Apparently an agreement was reached outside the Olof Palme Center, where an extraordinary number of people have shown their interest in solving the country's situation publicly and openly. In my opinion, however, if the government has committed the mistake of negotiating with the opposition on vital matters—such as decree 11-90, decrees 85 and 86, and the Army Law—in my opinion, it has committed a tragic mistake. Such a mistake will not only have repercussions on the government officials who committed that mistake, but on the entire country.

The private sector is not the only sector that is interested in seeing that justice prevails in our country. [Word indistinct] the opportunity for the new government [6-second break in reception] ...the rights that were violated by depriving thousands of citizens of their property rights.

Decree 11-90 not only reflects Cosep's interest, but a vivid interest of the entire nation in seeing justice prevail in our country and in encouraging production. If the mixed economy system continues, and this would be the case if an agreement was reached between the FSLN and the government, I doubt that any country will finance Nicaragua's economy. All Nicaraguans would pay for the weaknesses—if that is the case—of a government that is not able to respond to the majority of votes it received on 25 February from the Nicaraguan people.

I believe that the Nicaraguan people will severely condemn anyone who betrays the fatherland. In that sense, I trust that no such agreement has been reached as rumored. I do not think that the government leaders are so weak as to not realize that by doing this they would push not only the government, but the entire country, towards an economic and social disaster. I hope, therefore, that this is not true and that it will not occur. If the rumors are true, I will be the first one to publicly condemn the country's destruction by individuals who fail to realize that in today's world, the only way to solve our economic problems and have freedom is through a market economy. There is no other solution. Not because Cosep members want it so, but because this is how the world is moving and these are the current circumstances.

Privatization is in everyone's interest. It benefits the workers because jobs are guaranteed; salaries are better; and there is more stability, which will benefit the country. It benefits the people in general because services can be provided through taxes. I hope that the rumors are false because if they are true, it will be a tragic mistake for Nicaragua. [end recording]

Press Director Lacayo Annuls Ibarra Appointment

PA1010002190 Managua Radio Sandino in Spanish 1200 GMT 9 Oct 90

[Text] Danilo Lacayo, Nicaraguan Presidency press and information director, has annulled an appointment made by Deputy Presidency Minister Antonio Ibarra. Ibarra had appointed Adolfo Bonilla as Presidency press director. Danilo Lacayo told Bonilla: I am the one who gives the orders around here, and you have nothing to do in this office. Lacayo made those statements after annulling the appointment made by Ibarra when the controversial press director was in the United States.

Police Killed in Shoot-Out With Former Contras

PA0910225690 Managua Radio Sandino in Spanish 1200 GMT 9 Oct 90

[Text] We have received information on the events that took place on San Martin Farm, Matagalpa Department on Monday, 8 October. San Martin Farm is located in San Ramon Municipality. According to our reports, the police attempts to dislodge approximately 100 former contras or demobilized contras, who had occupied the said farm, started a shoot-out.

Two people, Carlos Eugarrios and Policeman Edwin Cisne, were killed in the shoot-out. The wounded are: Otilio Martinez and brothers Alejandro Eugarrios and Ricardo Eugarrios. Policemen Omar Martinez, Jose Romero, and Fernando Arceda were also wounded. The report adds that Jaime Cuadra, Government Ministry representative in Matagalpa, ordered the police to dislodge the contras from the San Martin Farm. As the contras were being dislodged, the shooting began.

Panama

Endara Discusses UN Trip, Haiti, Germany

PA0810170290 Panama City LA ESTRELLA DE PANAMA in Spanish 4 Oct 90 pp 1A, 2A

[Report by Emilio Sinclair]

[Text] President Guillermo Endara Galimany returned to the country last night and found a nation that appears to be calm but has deep social problems.

Endara, who has ruled the country since the early morning hours of 20 December 1989, brought an encouraging message to the homeland. He said that Venezuela will soon broaden the San Jose Pact, an agreement that guarantees Panama's oil supply and offers advantages that contribute to the country's development.

The San Jose Pact, signed during the regime led by the late Division General Omar Torrijos Herrera, is being analyzed by the Commerce and Industries Ministry, which will later send it to President Endara with its recommendations. The topic was discussed in New York with Venezuelan President Carlos Andres Perez.

The president of the Republic, who is also a lawyer, highlighted the most important details about his participation in the UN General Assembly and the world summit on children.

Endara is optimistic about his visit to New York, and he revealed that plans have been made to hold a Latin American presidents' summit at the Punta del Este resort around mid-December. The Alliance for Progress program was launched in Punta del Este.

President Endara, whose struggle to reach the Presidency was soiled by horrors and sacrifices, reasserted yesterday that Panama will not recognize any government that is the result of electoral fraud or a coup d'etat. Even though he did not mention it, Liberia, one of the nations with the highest ship registration levels, is currently facing this situation.

President Endara also said that he advocates support for Haiti, a nation immersed in the most terrible poverty, and yet—once it rid itself of Jean Claude Duvalier's dictatorship—trying to hold democratic elections, even without the necessary funds.

The Panamanian president recognized the effort exerted by UN Secretary General Javier Perez de Cuellar, who strove so that the UN Security Council approved the necessary funds to hold elections in Haiti.

Haiti, located in the Caribbean Sea, is the poorest country in America. It has a size of 26,833 square km (a third of the size of the Republic of Panama) and a population of approximately 2 million, 65.3 percent of whom are illiterate.

The president said he is pleased about Germany's reunification, and added that he had sent his congratulations to the German Government from the UN headquarters in New York.

Referring to his meeting with U.S. President George Bush, Dr. Endara said that it only lasted between five and 10 minutes. Nevertheless, he also held meetings with State Department officials, including Michael Kozak, with whom he discussed the foreign aid programs that our country receives from the most powerful nation in the world: The United States.

Linares on Mexican Request for Refugee's Safety

PA0810181190 Panama City LA PRENSA in Spanish 8 Oct 90 p 28-A

[Report by Manuel Alvarez Cedeno]

[Text] Foreign Minister Julio Linares said that Mexico has not yet accepted the intervention of international tribunals to solve the existing differences with Panama regarding the asylum of former BNP [National Bank of Panama] manager Rafael Arosemena. He added that Mexico insists on requesting safe conduct for Arosemena, who is a refugee at the Mexican Embassy.

Mexican Deputy Foreign Secretary Sergio Gonzalez told a press agency that his country has a serious problem with Panama since the Endara government breached the diplomatic asylum agreement by denying safe conduct to Arosemena. Arosemena is accused of illegal appropriation of state funds.

Linares reiterated that "Panama has the right to deny Arosemena safe conduct because he is accused of a felony."

"We recognize that Mexico has the right to request safe conduct, but Panama has the right to deny it," Linares said.

The Panamanian foreign minister reiterated that the differences in the positions adopted by the two countries must be solved by the International Court of Justice or by a court of arbitration, as Panama has proposed.

Mexico has yet to accept this proposal, however, and stands firm on its decision to request safe conduct, he added.

Mulino on PRD Opposition to Peace Corps

PA0810170090 Panama City EL PANAMA AMERICA in Spanish 4 Oct 90 p 20-B

[Text] The PRD [Democratic Revolutionary Party] supported "the CIA's declared number one agent" in Panama, General Manuel Antonio Noriega, and cannot, therefore, accuse anyone now of being a covert agent, Acting Foreign Minister Raul Mulino has said. He made this statement in reply to charges made by PRD Legislator Balbina de Perinan, in the sense that Peace Corps

volunteers who might be coming to Panama would be "U.S. secret service agents."

Legislator Perinan made these charges after the Assembly's Foreign Relations Committee approved a recommendation to ratify an agreement allowing the return of Peace Corps volunteers to Panama.

The recommendation was approved with six votes in favor; one against, from Legislator Perinan; and one abstention, from Christian Democrat Alfredo Geller. The Peace Corps was expelled from Panama in 1971 by General Omar Torrijos.

Mulino said that "some kind of moral authority is necessary" to question the Panamanian Government on agreements like this one—which does not increase the U.S. military presence in Panama—because the Peace Corps volunteers will only come here when our government so decides and not when the U.S. Government wants.

"It is absurd to think that the Panamanian Government would promote this type of instrument to permit the entry into our country of secret agents from a foreign nation," Mulino stressed.

Legislator Perinan accused the Peace Corps, meanwhile, of meddling in the internal affairs of other nations, and recalled that they have been expelled from various countries for conducting this type of activity.

Customs Director Threatened by Traffickers

PA1010012890 Panama City ACAN in Spanish 0006 GMT 10 Oct 90

[Text] Panama City, 9 Oct (ACAN-EFE)—Alleged drug traffickers yesterday kidnapped the secretary of Panamanian Customs Director Rodrigo Arosemena and, after raping her, abandoned her in a downtown area of the capital, it was reported today by a Panamanian television network.

According to Television Channel 13, Arosemena's secretary, whose name was not revealed, was "kidnapped and raped" by drug traffickers, whose actions have been countered by the customs director.

The kidnappers left a clear threat for the customs director with the following text: "If Arosemena wants blood, we will give him blood."

Arosemena has gained notoriety, since his appointment earlier this year, for the seizure of multiple drug shipments, particularly one in excess of 700 kg of cocaine.

The official, who was apparently drugged by her kidnappers, has been hospitalized at a medical center in the capital.

The customs director and officials in his department have received death threats from people who identified themselves on one occsion as members of the so-called "Curundu Cartel," which uses the name of a neighborhood in the capital where many Colombians live.

Foreign Mafias Said To Launder Money in Country

PA0710153090 Panama City EL PANAMA AMERICA DOMINICAL in Spanish 30 Sep p 1A

[Report by Juan Pritsiolas]

[Text] The Italian and Galician [from Galicia region of Spain] mafias have taken advantage of Panama's liberal corporation system to establish front companies and use them to launder money from drug trafficking and other illegal activities.

An investigation into Panama's public registry has disclosed that the Diamond Cement Trading Company, the main shareholder in the Italian corporation Eurocom used by the Neapolitan mafia for its activities, was organized at Third Notary Office in Panama on 30 September 1983 through notarial deed no. 10458.

The Italian Treasury Police accused the subsidiary of controlling the cement trade in the Campania region by threatening to perpetrate attacks against builders. The firm imported cement from Greece and Yugoslavia and sold it to builders at obligatory prices.

The Diamond Cement Trading Corporation was organized by a well-known Panamanian lawyer. In a shareholders' meeting in Athens in July 1987, the following officials of the corporation were appointed: E. Ghali, president; A. Haddad, Secretary; and A. Barakat, treasurer.

Later, in March 1988, these officials resigned and a new board of directors was elected. This new board of directors, which will be in office until 31 March 1991, consists of G. Bouri, A. Kattanch, F. Vanderbilt, and C. Bouri.

In Galicia, Spain, the authorities also uncovered a number of firms established in Panama that the Galician mafia have used to conceal its relationship with the Medellin Cartel.

After raiding the residence of the Galician capo, Laureano Cubina, the Spanish police outlined the structure of a series of Panamanian corporations allegedly used by Cubina for his activities. These companies included the American Finance Corporation and the Fashion Earring Corporation, both registered at Panama's public registry on 23 May and 3 July 1986, respectively.

Greek shipowners Kourouklis and Chaikalis were elected officials of the American Finance Corporation in July 1986. A shareholders' meeting was held in Portugal in 1987 to elect new members of the corporation's board of directors.

The corporation system was established in Panama by Law 32 of 1927, which allows two or more persons of any nationality to constitute a corporation for any legal purpose, even if they do not reside in Panama.

In addition to the Italian and Galician mafias, the Medellin Cartel has also established a great number of corporations to launder its money.

Ambassador Suggests Gaitan May Be in Argentina

PA0510162490 Panama City Circuito RPC Television in Spanish 2300 GMT 4 Oct 90

[Report on interview with Argentine Ambassador Juan Bautista Yofre by unidentified reporter; place and date not given]

[Text] Argentine Ambassador to Panama Juan Bautista Yofre said today that the possibility of Asuncion Eliezer Gaitan being in Argentina has not been discarded. Ambassador Yofre said this after international news agencies reported the possibility of Gaitan heading for Argentina, where his friend Professor Seineldin lives. Gaitan had fled the nunciature in Panama City some time ago.

[Begin recording] [Yofre] If it is so, if the Panamanian Government were to file an extradition request, Argentina would have no objection to sending him back to Panama.

[Reporter] What could be Gaitan's link with Seineldin?

[Yofre] There is a professional link; Gaitan studied at Argentina's Military College and Seineldin was one of his instructors. I believe that the relationship gave birth to feelings of affection because of the professional qualities of Colonel Seineldin. As far as I know, this is the only link that exists.

[Reporter] Then we cannot discard the possibility that Gaitan could be in Argentina?

[Yofre] I am not discarding anything, but I find it difficult to believe that a man like Gaitan could flee from Panama and go to Argentina without being spotted before arriving in our country. If he is in my country this would mean that he is being backed by an important and serious organization in control of logistical apparatus capable of spiriting an outlaw like Gaitan into Argentina. This reminds me of how Seineldin traveled from Panama to Argentina to take part in an insurrection against the government authorities at that time.

[Reporter] What is Seineldin's status in Argentina now?

[Yofre] His status is termed available. This is the step prior to the retirement of an army officer. This is not the status he had during the Alfonsin administration. At that time he was an officer in active service. He served two years as a military attache and then as an adviser to Noriega upon the request of the Panamanian Government, which was viewed favorably by the Argentine Government, which did not want to have him in our country. Alfonsin was one of the people who strove to have Seineldin stay here. This is something the Panamanians did not know. [end recording]

Peruvian Embassy Transfers Fugitives to New Site

PA0910000490 Panama City Circuito RPC Television in Spanish 2300 GMT 8 Oct 90

[Passages in italics are recorded]

[Text] Former soldiers Gonzalo Gonzalez and Heraclides Sucre, who had taken asylum in the Peruvian embassy, have been transferred to another residence. The two military officers initially took asylum in the Peruvian Embassy after 20 December. The embassy later transferred them to the Las Hadas building but after constant pressure from the residents of the building, they have now been taken to a house in the Panama Canal zone which has been reverted to Panama. Gonzalez and Sucre are still wanted by the Panamanian Government.

[Deputy Foreign Minister Raul Mulino] *Security measures have been implmented around the house. The Public Force, which is in charge of protecting the house, must now make every effort to make sure that these gentlemen remain there until their case is resolved.*

The former aides of Manuel Antonio Noriega were taken out of the Las Hadas building at dawn today. Our news team filmed these scenes minutes before they were transferred to the reverted area. We were prevented, however, from continuing to film the transfer. The community is concerned about this situation because even though Foreign Ministry officials say that security measures have been adopted, Gonzalez and Sucre could escape, just like [former Noriega aide] Asuncion Eliecer Gaitan escaped from the Papal Nunciature.

[Mulino] *It is evident that the public security problem causes concern at all levels at this time. I think the authorities are doing everything possible, however, to ensure the proper security for the house where these gentlemen are staying. There will be Public Force security officials keeping watch over the house 24 hours a day.*

The two former officers are accused of committing murder in the unsuccessful 3 October 1989 coup. Meanwhile, Foreign Minister Julio Linares has denied that the two former officers are on a U.S. military base.

[Linares] *No, they are not on any military base. They are in the reverted area in the Pacific sector.*

[Reporter] *Is the house on Panamanian territory?*

[Linares] *It has to be on Panamanian territory or else we would not be able to give the house the status of being part of the Peruvian embassy in Panama.*

National Bank Manager on Financial Situation

PA1010013090 Panama City LA PRENSA in Spanish 8 Oct 90 p 1

[Text] In a statement for LA PRENSA, National Bank Manager Luis H. Moreno has stated that the National Bank has a default portfolio of approximately $79 million, $53 million of which is virtually unrecoverable.

Moreno said that in view of the situation, it was necessary to create a "bad debts reserve, which has increased the bank's total reserves to almost $63 million against overdue loans. More than half of the loans in the $79 million default portfolio are commercial loans."

Moreno added, however, that approximately $26 million is being recovered through special arrangements, noting that in some cases no principle or interest payments had been made for six or seven years.

Moreno said that arrangements have been made on several loans to begin collecting overdue payments on principle or interest "and, therefore, we are already recovering and will continue to recover part of the money as those special arrangements are observed."

According to Moreno, another way to recover assets is to sell real estate and personal property.

"If no special arrangements are made, and we come to the conclusion that a loan definitely cannot be recovered, first we place a lien on the property given as guarantee for the loan, and then we proceed to sell it," Moreno explained.

Regarding the $53 million that is considered irrecoverable, Moreno said that "there are no guarantees; in other words, they are bad debts."

As for bank operations, Moreno said that as of September, $3 million less has been spent this year compared to the same period last year, even though the bank is paying interest on interbank deposits.

He noted that $400,000 of the $3 million saved was for propaganda and public relations.

A total of $1.522 million had been spent on propaganda and public relations through September last year, while only about seven percent of that, or $121,000, has been spent this year.

Moreno also reported that in December 1989, the bank's liquid assets stood at $17 million, while today—as a result of increased bank deposits, the return of funds frozen in the United States, and regaining control of expenses, as well as coordination between the bank and the Comptroller General's Office—liquid assets have been raised to $600 million, a considerable increase.

Moreno also said that he has presented to the Comptroller General's Office 11 different cases for which thorough investigations have been requested to determine if they involve any fraud.

Interbanco Declaration on EL SIGLO Charges

PA1010001690 Panama City LA PRENSA in Spanish 9 Oct 90 p 2-A

["Declaration" issued by the Interoceanic Bank, Inc. Board of Directors in Panama City; date not given: "Anatomy of an Extortion"]

[Text] 1. Over 60 days ago, a group of Panamanian citizens, with years of experience and devotion to financial affairs, presented a formal request to be considered by the National Banking Commission for the acquisition of over 90 percent of the shares of Interoceanic Bank, Inc. (Interbanco).

2. Panama's economic community has observed that concurrently with this request, the newspaper EL SIGLO unleashed a series of attacks against Interbanco and certain individuals who comprise the economic group interested in its purchase. In the beginning, this campaign by EL SIGLO was limited to restrained insinuations against the bank and individuals involved with it.

3. The fact that these attacks took place exactly when the Banking Commission was considering the request for Interbanco was not a mere coincidence, but a deliberate plan to pressure the commission into denying the request, thereby tarnishing Interbanco's image.

4. We have the answer. These attacks, as we said, have been coldly calculated by the newspaper that has the most dubious record in the history of Panamanian journalism, with over 30 lawsuits filed against it for slander and insult, as well as for a series of major crimes that involve civil lawsuits for damages. We will prove this.

5. The defamation campaign planned and executed on a daily basis against Interbanco's interests have deeper roots, which extend to a meeting requested by EL SIGLO owner Mr. Jaime Padilla Beliz with Interbanco Manager Ernesto Vegar. At this breakfast meeting the gentleman in question presented to the Interbanco executive a copy of documents attributed to the DEA [Drug Enforcement Administration], which insinuated that the Bank of Iberoamerica, Inc.; the Livestock Bank, Inc.; the Coffee Bank, Inc.; the Isthmian Bank; the Bank of Colombia; the International Bank of Panama; and Interbanco, were allegedly involved in money laundering activities. Mr. Vegar informed the owner of the defaming newspaper that these documents were already known to Interbanco and that operations at the bank are handled according to Panamanian banking laws and interbank agreements signed by the banks in the system.

6. The would-be extortionist then hastened to tell the banking official that he need not worry about anything because his newspaper would not publish the document because it had no value whatsoever. Immediately thereafter he presented a request for a loan of $750,000.00 to purchase the Gigante Building on Bolivar Avenue in Panama City.

7. Since this request had to meet certain bank requirements, it underwent the normal procedures. While this was taking place, EL SIGLO owner Mr. Jaime Padilla Beliz attempted to expedite the process by praising Interbanco and its manager, publishing the following note:

"Bank's Silver Anniversary

"We hereby congratulate distinguished banker Ernesto Vegar R., executive vice president and general manager of Banco Interoceranico de Panama, S.A., who is celebrating his 25th anniversary as a banker. During these 25 years he has successfully worked in Panama's banking system, holding positions as the manager of the National Bank of Panama, the Royal Bank of Brazil, and the Interoceranic Bank of Panama."

8. The delay in resolving the strangely presented request by EL SIGLO owner Mr. Jaime Padilla Beliz prompted the owner of the newspaper in question to react violently, manifested in very harsh attacks, slander, and lies against Interbanco, which were later published. Some of these attacks affected even such gentlemen as the president of the Republic.

9. Understanding the delicate situation, Interbanco presented a detailed report of the attempt at extortion to the Banking Commission, which in turn passed it along to the Attorney General's Office.

10. Meanwhile, Interbanco was forced to file slander charges and a civil lawsuit for damages against EL SIGLO. These charges were filed in the courts, and our firm is awaiting the legal action that will emerge from them. Nevertheless, several lawsuits have been filed against EL SIGLO's owner, among them one filed by the owners of the defunct newspaper YA, Luis Martinz and Miguel Angel Moreno Gongora. In response to the charges filed by Martinz and Moreno Gongora for the seizure of YA and its facilities with the complicity of former dictator Manuel A. Noriega, Mr. Padilla Beliz has decided to distract public attention by attempting to make it seem as if Interbanco is trying to close EL SIGLO.

11. Interbanco has no commercial ties, now or in the past, with Mr. Martinz and his associates, since they are not even account holders at this institution. Mr. Padilla Beliz knows this, but has preferred to raise a smokescreen to take the public by surprise, making it appear as if Interbanco wants to close EL SIGLO. Among Interbanco's current board of directors are individuals who were jailed and exiled for defending freedom of expression; these individuals do not support attacks against those rights. EL SIGLO's owners know this, but they still insist on accusing us of wanting to close that newspaper. Behind that deceitful smokescreen lies their objectionable reports against Interbanco, which are an attempt to affect this bank, which has served for 20 productive years and supports over 150 families.

12. We have decided, therefore, to explain this state of affairs to the public, to make it clear that there are ulterior motives, such as an attempt at extortion, behind this campaign. To support banking organizations, which we call upon to defend the national banking system, there was no other alternative. We want ours to be a voice of caution for all similar institutions, so that the Banking Association, as well as the Banking Commission, can be prepared to respond to such dangers and continue to defend their system.

13. It must be clear that we are in possession of documents from the Attorney General's Office which certify that neither now nor in the past has this bank or its board of directors undergone an investigation.

14. Our efforts are intended to stop this chain of irresponsible actions that endanger the banking system. How can there be local or international public confidence when newspapers that constitute an affront to that sacred profession and its mission, openly, without showing any respect whatsoever, mock judges, prosecutors, and attorneys general, and defame banks that flatly refuse to fall for its extortion tricks?

15. We hope that through these notes, which we felt compelled to publish, the Panamanian public will be duly informed of the reasons for this campaign, that the Banking Commission and the Banking Association will adopt the appropriate positions, and the authorities in the Attorney General's Office will put these defamers and extortionists in their place once and for all, forcing them to go before its judges and ultimately ending this reign of terror that they have created with their shameless intimidation of employees in the Judicial Branch.

Board of Directors of Interbanco

More Radio Frequency Cancellations Announced

PA0910023290 Panama City CRITICA LIBRE in Spanish 8 Oct 90 pp 23, 48

[Report by Arnulfo Mendoza]

[Text] Edwin Cabrera, media director of the Government and Justice Ministry, has announced the cancellation of the frequencies of four [as published] A.M. and F.M. radio stations: Radio Luz (in La Chorrera), Radio La Voz del Istmo, and Radio TV-2.

Cabrera said that this is not a closure but a cancellation of assigned radiobroadcasting frequencies that have been off the air in keeping with the provisions of Article 40 of Decree 155 of May 1962.

"We are cancelling these frequencies because they are not being used. The 60- and 180-day extensions, which were automatically granted although the station owners did not request them, expired," the media director said.

Cabrera was more specific about the situation of La Voz del Istmo which is owned by Lombardo Vega. Among other things, he said that this station was sequestered by the Social Security Fund and has been off the air for the past 240 days.

The official also said that Government and Justice Minister Ricardo Arias Calderon this week will announce the decision over an appeal for the cancellation of other frequencies ordered weeks ago.

As for the case of VISAT, S.A. [Vision Satelite de Panama], Cabrera said that it is under discusion and added that the ministry is fully aware of the situation, but its main concern is its numerous customers. The media director also commented on the situation of Canal Once Television. He said that the government must govern, and thus, it has made a decision; we understand that the president of the Republic and the Education Ministry signed a decree regarding this." [quotation marks as published]

"That document calls for the creation of a semiautonomous entity to manage Canal Once Television. I believe that this government measure enforces its objective to provide guidance and education to the people," he concluded.

National Institute Students End Office Seizure

PA0610194390 Panama City Circuito RPC Television in Spanish 2338 GMT 5 Oct 90

[Passages in italics are recorded]

[Text] The students who had taken over the office of the National Institute's vice rector have vacated those premises as a result of the pressure exerted by hundreds of parents whose children are affected by the suspension of classes at this secondary school. National Institute students and parents met at the Republica de Venezuela primary school this morning to demand the reopening of the institute, which has been closed for more than a month, thereby endangering the completion of the school year. After a debate, the parents and students collected a considerable number of signatures on a petition demanding that the Education Ministry authorities reopen the school and that the five expelled students vacate the premises, which they had taken over to protest their expulsion.

Once the meeting concluded, the parents and students marched to the National Institute, where the demonstrators, carring placards and shouting slogans, demanded that the five students vacate the school and spare the rest of the students any more inconvenience. The five students made one last attempt to get the demonstrators' support, but to no avail. A delegation of those who met this morning visited Education Minister Ada Gordon to submit a petition urging her to reopen the institute and to tell her that the five students had agreed to leave the Vice Rector's Office. The minister announced that the institute will be reopened Monday.

[Gordon]*We are pleased to announce that the National Institute will resume classes on Monday, as usual. The five expelled students will enjoy the ministry's support so that, installed in other schools, they also can complete their school year.*

Under a persistent rain, for four hours the parents awaited the arrival of Rector Aristides Sanchez and ministry officials at the school, because the five students demanded their presence to vacate the office. The five students met at the school's assembly hall with a delegation of parents and professors and, in the presence of Secondary Education Director Minerva de Batista, read a communique pledging to vacate the building so that classes can be resumed on Monday.

[Unidentified student spokesperson]*We, the expelled students, expect the school to be reopened Monday provided none of the members of the support committee is punished and provided our school is repaired. We have been unjustly expelled because all we did was strive for our school's improvement.*

[Batista]*To ensure your academic future, I would like to suggest that the talk with the rector be held in my presence so that we can find a quick solution. We are fighting against time.*

Finally, the five expelled students left the school building without the Education Ministry reconsidering the sanctions applied against them.

National Police Dismisses Two for Negligence

PA0910225190 Panama City LA ESTRELLA DE PANAMA in Spanish 9 Oct 90 pp 1, 2-A

[Press communique issued by the National Police Information and Public Relations Directorate in Panama City on 8 October]

[Text] The National Police General Directorate reports the dismissal of two members of its institution for cases of negligence while assigned to guard duty.

Investigations conducted by this institution's Disciplinary Board into the guarding of former Lieutenant Colonel Luis A. "Papo" Cordoba, who is detained in the "El Renacer" Penitentiary, confirmed that these two National Police members were negligent while guarding the former staff member of the defunct Panama Defense Forces, who is facing serious charges.

In view of this, the Disciplinary Board has recommended the dismissal of the two policemen involved in this incident, and consequently, the General Directorate makes this dismissal effective as of today.

Information and Public Relations Directorate, National Police.

Panama City, 8 October 1990.

Blocked Road Blamed for Colon Free Zone Losses

PA1010013390 Panama City LA PRENSA in Spanish 9 Oct 90 p 1

[Report by Vilma E. Figueroa B.]

[Text] Colon—Puerto Escondido inhabitants, on 8 October, caused millions of dollars in loses to the Colon Free Zone and national producers by blocking the Transisthmian Highway to protest evictions ordered by the Housing Ministry.

Despite the National Government's ruling that prohibits blocking streets and avenues as a means of protest, the inhabitants of the "El Esfuerzo" neighborhood blocked the highway at 0400 [0900 GMT], thus preventing employees of different companies and cargo vehicles from reaching the country's main commercial area located in Panama's Atlantic area.

Gerardo Harris, acting manager of the Colon Free Zone, said that commercial movement in the Free Zone was "completely nil" and that loses are calculated at between 12 and 15 million balboas.

Harris said that in view of the presence of "other free zones" that have been established in Latin American areas, this kind of measure contributes toward the Free Zone disappearing, little by little.

According to the acting manager, the constant blocking of the main avenue that connects Colon with other places in the country discourages investors and potential buyers, which is detrimental to the country's main commercial zone.

Deputy Housing Minister Rodrigo Sanchez and Antonio Dominguez, presidential adviser, came to the site of the incident. Then, together with Colon Legislator Miguel Bush, the area's representative Jorge Macias, and Mayor Alcibiades Gonzalez, they signed an agreement at 1235 [1735 GMT] that allowed the normalization of traffic.

The points agreed upon include immediately ceasing the evictions of unemployed people who are in default throughout the entire Colon District and granting legal status to squatters.

It was also agreed that a commission would be formed, consisting of Finance Minister Mario Galindo, Housing Minister Raul Figueroa, and Comptroller Ruben Dario Carles, to study the possibility of condoning the defaults—that is, pardoning the debts due to the fact that the National Government has declared Colon an emergency zone due to the dramatic poverty, ruin, hunger, and unemployment.

Other agreed upon points include the immediate resumption of construction of the Puerto Escondido neighborhood's septic tank, for 436,000 balboas, which was approved in the 1990 General Budget; the repair of streets over a fixed term with funds from taxes collected from the former company Transit S.A.; and the reconditioning of the building known as "The 15 Floor" (El 15 Piso).

FDP, Dignity Battalion Members Said Meeting

PA0610165790 Panama City EL SIGLO in Spanish 6 Oct 90 p 5

[From the "Leaks and Tips" column]

[Text] We have been informed that a former Panama Defense Forces [FDP] officer, who was involved in the death of a worker and a Spanish businessman, has been contacting Dignity Battalion members and former FDP Macho de Monte Company soldiers. The officer gives these people pamphlets on the subversive M-20 [20 December Movement] and other fliers signed by members of an alleged Torrijist soldiers movement. The aforementioned former officer tells these people they must be "alert" and have their weapons hidden and to be ready for a signal that will be given in due time.

Argentina

UK Official Praises Sending Ships to Gulf

PY0810155890 Buenos Aires DYN in Spanish 1440 GMT 8 Oct 90

[Text] Buenos Aires, 8 Oct (DYN)—Tristan Garel Jones, UK deputy secretary of state for foreign and commonwealth affairs, today "congratulated" Argentine President Carlos Menem for having sent military troops to the Persian Gulf and agreed with Menem that the two countries "are defining a new world order."

In the face of the Middle East events, Garel Jones termed the Argentine decision "courageous" and "wise," adding that "Argentina has joined, together with the rest of the countries, in the effort to defend the new order."

The British visitor met with Menem today for about an hour at Government House. The meeting was described as a "courtesy" visit, but it is important because Garel Jones is the first high-ranking British official to visit Argentina after the resumption of diplomatic relations between the two countries in last February.

Garel Jones had breakfast with the Argentine president together with British Ambassador to Argentina Humphrey Maud and Foreign Minister Domingo Cavallo. After the breakfast he spoke to the media.

"I allowed myself to congratulate President Menem and thank him for having opened this new chapter in British-Argentine relations, which will permit us to soon recover the ties of friendship that unite the two countries," the British deputy secretary of state began by saying.

The opening of relations, he said, "is very important for the two countries" since "first, it will allow us to resume bilateral trade relations which were so important," besides "ties with the rest of the countries and the European Community, which are becoming increasingly more important."

When asked if the Malvinas Islands subject could hinder the relations, Garel Jones said that "after the talks we held in Brazil "the two governments agreed "to disagree" regarding the subject, and we therefore left it aside, so we think that the umbrella is convenient for the two of us, and it will allow us to make progress in other fields." [quotation marks as received]

Finally, regarding the ships sent to the Gulf, Garel Jones expressed his "congratulations" to President Menem, and he said that with this decision "the Argentine Government (together with the rest of the countries that are intervening in the Gulf) are defending a new world order."

"We agree with President Menem on this subject. This new order is facing a challenge, and Argentina has joined the rest of the countries to defend it," the British official said.

Italian Leader Notes Appreciation

PY0910225490 Buenos Aires BUENOS AIRES HERALD in English 9 Oct 90 p 11

[From the "Argentina in Brief" column]

[Text] (NA)—Italian President [as published] Giulio Andreotti expressed his government's "appreciation" of his local counterpart Carlos Menem's decision to send a flotilla to the Persian Gulf to aid in the search for "a peaceful solution to the crisis." In a letter delivered to Menem by Italian Ambassador Ludovico Incisa di Camerana, Andreotti also said his country would provide all the logistical support needed by the two Argentine ships currently en route to the Gulf.

Police Arrest Kidnappers of U.S. Missionary

PY0510224190 Buenos Aires TELAM in Spanish 2131 GMT 5 Oct 90

[Text] La Plata, 5 Oct (TELAM)—The Buenos Aires Police today detained the kidnappers of a young American, who is the son of the intelligence chief of the German Embassy in Washington, [as received] for whom they had asked a $500,000 ransom.

The kidnapping took place on Wednesday [3 October] at 1330 near the railroad station of the Roca Railroad in Florencio Varela District.

Cris Brian Mortensen, 21, was walking with an Argentine friend whose last name is Maidana. The youths were intercepted and threatened with guns by three unidentified men in a red Ford Taurus.

The kidnappers forced the two youths inside the car. A few hours later they freed Maidana so that he would report on the ransom demand for his friend and the manner in which it should be paid.

Mortensen and Maidana are Mormon missionaries. The kidnappers contacted the chief of the church who resides in the Banfield District, to tell him that they would free Mortensen if he paid the ransom.

The church representative reported the case to the Federal Police. They contacted the La Plata Federal Court president who in turn warned Buenos Aires Police Inspector General Osvaldo Somomano, retired.

Somomano turned the case over to Inspector Oscar Alberto Rossi, chief of the Lanus District Investigative Brigade, who received the cooperation of members of the Antikidnapping Brigade and the Drug Trafficking Division.

Rossi said that thanks to Maidana's report, the Science and Technology Division of the Buenos Aires Police managed to create accurate indentikit pictures of the kidnappers.

Thirty hours after the kidnapping took place, the kidnappers and the church reached an agreement for paying the ransom today at 1030 in a square outside the railroad

station in Florencio Varela where 60 men, 25 of them in plainclothes and in special vehicles of the Antikidnapping Brigade, had been deployed.

At 1030, the police arrested three men and a woman and took them to a police station. They did not resist arrest.

The president of the Mormon Church, whose See is in Utah, United States, said that the Banfield Church had been robbed twice, but the robberies had not been reported to the police.

Cavallo on U.S. Subsidies, Armed Forces

PY0510194790 Buenos Aires TELAM in Spanish 0028 GMT 4 Oct 90

[Text] Buenos Aires, 4 Oct (TELAM)—Foreign Minister Domingo Cavallo today said that U.S. agricultural subsidies "may be cut by 30 percent" if the U.S. Congress approves, by the end of this week, a reduction of the general budget for this year.

During a news conference at the Foreign Ministry, Cavallo commented on the U.S. agricultural subsidies that affect our exports and said: "We obtained a favorable answer" to this problem from President Bush.

Asked about the Argentine Armed Forces situation regarding the Persian Gulf conflict, Cavallo said: "There is so far no political decision to send any other force because the two ships already sent are fulfilling their mission of ensuring the trade embargo" imposed on Iraq.

He explained, however, that "if events in the Gulf call for the deployment of reinforcements or intervention, this possibility will be submitted to the legislative branch."

About the cost of deploying the forces, he said that our country has paid these military expenses. He added, however, that these expenses will be absorbed by a special fund that is being created by the United Nations.

Asked whether our country would endorse the Tlatelolco Treaty—which forbids the use of nuclear energy for military activities—he said: "Argentina and Brazil are negotiating a system of overall safeguards with the Atomic Energy International Organization that will simultaneously preserve industrial secrets and one's own resources."

Cavallo explained that the European nations have achieved this goal after negotiating with the Euroatom [European Atomic Energy Community]. He added: "This will make it possible to be part of the Tlatelolco Treaty, which Cuba will then be also able to join." [as received]

Asked whether Argentina is definitively open to the First World, the foreign minister said: "We are moving toward a single world, a world which possesses certain political principles that allows harmonious coexistence with the other nations and seeks peaceful solution to conflicts in accordance with the United Nations Charter."

He added: "Argentina has decided to be a part of this new world, and we believe that other nations should not fail to become part of this new order."

He said: "The old-fashioned way of dividing the world into first, second, and third worlds is ending." He concluded by saying that this administration intends to (?enjoy) "good relations with all nations that are interested in achieving peace and progress."

Menem Comments on Privatizations, U.S. Subsidies

PY0610165690 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1350 GMT 3 Oct 90

[Text] Buenos Aires, 3 Oct (NA)—President Carlos Menem stressed today that if the Bell-Manufacturers Hannover consortium does not deliver cash and foreign debt notes tomorrow before 1800, "it will not be granted the Entel [National Telecommunications Enterprise] northern zone."

Menem reaffirmed that "the terms of the bid called by Entel will not be made more flexible." He pointed out: "If Bell does not meet the conditions, the northern zone will be granted to another company," alluding to the Italian STET [expansion unknown] consortium.

In this regard, he denied that he has disagreed with Entel trustee Maria Julia Alsogaray on a possible postponement of the deadline.

He also said: "Today I will sign a decree on the privatization of SEGBA [Greater Buenos Aires Electrical Services], the State Gas Corporation, and the National Sanitary Works." He pointed out: "95 percent of the conditions established in the specifications for the sale of Aerolineas Argentinas have been fulfilled."

[Buenos Aires NOTICIAS ARGENTINAS in Spanish at 2340 GMT on 3 October reports: "President Carlos Menem today signed a decree authorizing the Public Works Ministry to privatize SEGBA, the State Gas Corporation, and the National Sanitary Works."]

Menem made these remarks at Ezeiza International Airport upon his return from his tour of Venezuela and the United States. He said: "The Aerolineas Argentinas issue is practically concluded. There are just some details that will be arranged in the next few days."

Concerning Buenos Aires Governor Antonio Cafiero's remarks that the government's economic policy "lacks social justice," Menem said: "I will applaud Cafiero if he can implement a policy with social justice in Buenos Aires Province."

Menem labeled as "very positive" the political and economic results of his trip, and added that the government "is drafting a proposal" for reduction of the Argentine foreign debt.

In this regard, he said: "The mechanism to reach this objective will be the same as that used by other countries such as Mexico." He made it clear, however, that we will need to hold long negotiations.

Menem said: "I briefly analyzed the matter of reduction of the foreign debt with U.S. Treasury Secretary (Nicholas) Brady."

He added that there are more possibilities for negotiations because "Argentina is now considered to be a serious country." He said: "There is still some resentment due to the many years of lies and unfulfilled promises."

Commenting on the matter of agricultural subsidies implemented by the United States, which harm Argentina because they lower international prices, Menem said: "Government officials will go to the United States to continue the negotiations."

He admitted that it is hard to solve the issue of subsidies. He said that in confrontations on agricultural subsidy policies between the United States and the EEC, "nobody wants to make even a single concession."

Concerning German reunification, he said: "The document on unity that will be signed today is a death certificate for ideological dogmas."

Regarding the prosecution in Italy of Argentine military men who were sentenced in Argentina for their involvement in the antiterrorist struggle, he said: "It is an action designed to impress the people. These are merely moral attitudes." He reaffirmed that there is "no possibility of these military men being extradited."

As for reactions in the United States to the upcoming stage of pardoning, he said: "Many (U.S.) representatives and senators told me that they supported the measure."

He admitted: "Just one representative handed me a note (expressing his disagreement with the measure). Before I accepted it, I told him that my answer was the same as the one I gave him last year, and that this time the note carried less signatures, meaning Dante Fascell, chairman of the House of Representatives Foreign Affairs Committee."

Regarding the Persian Gulf situation, Menem said: "Everyone wants the conflict to be settled peacefully." He added: "If this is not possible, then other methods will be used, but this situation should not continue."

Concerning Cafiero's demands, he said: "I do not want to engage in discussions." He added: "We are doing our best to put social justice in force."

He stressed: "The United States has implemented a similar (economic) adjustment." He made it clear that "many countries are in a situation similar to Argentina, with the difference being that we (the government) set this plan in motion a long time ago."

"The United States has recently tried to initiate a task similar to that carried out in Argentina," Menem said.

Bell Atlantic Withdraws

PY0610170090 Buenos Aires BUENOS AIRES HERALD in English 5 Oct 90 p 1

[Text] (DYN-NA)—After a flurry of closed negotiations the government last night announced that the consortium headed by the Italian telecommunications company STET [expansion unknown] will take over the operation of Entel's [National Telecommunications Enterprise] northern zone.

President Carlos Menem signed a decree adjudicating the northern zone to the STET group after the Bell Atlantic consortium formally withdrew from the privatization, having failed to raise the requisite amount of foreign debt certificates.

The Telefonica consortium, meanwhile, stated itself ready to assume ownership of Entel's southern zone.

"The Argentine telephones are already privatized," declared Public Works Minister Roberto Dromi exultantly.

But the contracts transferring Entel into private hands remain unsigned. Telefonica refused to sign the agreement until STET is ready to do likewise. Menem, however, guaranteed that all will be concluded on Monday [8 October].

The STET consortium, which in addition to the Italian company also comprises France Cables et Radio, Perez Companc and the Morgan Bank, must increase its original bid for Entel by around 10 million dollars to match Bell's offer.

Despite Menem's oft-repeated assurance that the ceremony marking the signature of the contracts would take place "at 6 pm, and not a minute later," the hours passed by while the negotiations between Entel, the government and the Bell, Telefonica and STET consortia continued.

At 8 pm Bell Atlantic withdrew, having renounced its claim to the northern zone, and just after 10 pm Menem signed the decree granting STET the adjudication.

Mexican President Welcomed to Buenos Aires

PY0610231490 Buenos Aires DYN in Spanish 2224 GMT 6 Oct 90

[Text] Buenos Aires, 6 Oct (DYN)—Mexican President Carlos Salinas de Gortari arrived at 1900 today in the military sector of the Jorge Newbery Metropolitan Airport of this capital.

After being received by President Carlos Menem, Salinas said that he has come "to analyze with the Argentine president Latin American integration" and U.S. President George Bush's proposal for the region.

Sees Need for Trade Agreements

PY0710220890 Buenos Aires TELAM in Spanish 1353 GMT 7 Oct 90

[Text] Buenos Aires, 7 Oct (TELAM)—Mexican President Carlos Salinas de Gortari has stated the "need to promote free trade agreements" between all Latin American countries.

Salinas noted: "Current Mexican trade with Latin America represents only four percent of its overall production."

Salinas de Gortari made these remarks this morning during a working breakfast with Argentine and Mexican businessmen at the hotel where he is staying.

Bilateral Agreements Signed

PY0810210890 Buenos Aires TELAM in Spanish 1413 GMT 8 Oct 90

[Text] Buenos Aires, 8 Oct (TELAM)—Argentine President Carlos Menem and his Mexican counterpart Carlos Salinas de Gortari stated today in a joint declaration that they hope the "Initiative for the Americas" will "actually liberalize commerce, reduce the foreign debt, and result in a substantial increase in investments" in Latin America.

The two presidents signed the joint declaration during a ceremony at the White Hall in Government House. In the declaration, the presidents stressed "the need to intensify efforts to achieve Latin American integration." The presidents also signed two agreements—an animal health agreement and a bilateral document of understanding.

In the presence of the two presidents, Argentina's National Grain Board chairman Guillermo More de la Serna and his Mexican counterpart Jaime Serra Puche signed a letter of intent for the supply of Argentine farm products to Mexico.

Mexpetrol [as received] chairman Francisco Rojas Gutierrez and Government Oil Deposits government trustee Jose Estenssoro signed a document of understanding on studying the bilateral exchange of hydrocarbons.

Mexican Foreign Minister Francisco Solanas and Felipe Sola, Argentina's under secretary for agriculture, livestock, and fishing, signed a bilateral animal health agreement involving Mexico's Secretariat of Agriculture and Hydraulic Resources and the corresponding Argentine enterprise.

Argentine Foreign Minister Domingo Cavallo and his Mexican counterpart signed an agreement on the transfer of pensions between the two governments and another agreement on the transfer of "sentenced nationals to serve sentences."

The ceremony was attended by, among other officials, members of Salinas de Gortari's delegation, Argentine Economy Minister Antonio Erman Gonzalez, Under Secretary of Energy Julio Cesar Araoz, Under Secretary of Justice Cesar Arias, Buenos Aires Mayor Carlos Grosso, and other Argentine government and Foreign Ministry officials.

Salinas Concludes Visit, Departs

PY0810214090 Buenos Aires TELAM in Spanish 1958 GMT 8 Oct 90

[Text] Buenos Aires, 8 Oct (TELAM)—Mexican President Carlos Salinas de Gortari departed just after 1630 [1930 GMT] for Montevideo after a three-day visit to Argentina. During his stay, Salinas signed several cooperation agreements with his colleague, Carlos Menem.

Salinas, who is travelling to Uruguay on his country's presidential airplane, was seen off at Metropolitan Airport by President Menem; Ministers Domingo Cavallo, Antonio Erman Gonzalez, and Humberto Romero; Buenos Aires Mayor Carlos Grosso; and Eduardo Bauza, secretary general of the Presidency.

Menem on Bidding; 'Old Politicians'

PY0510202590 Buenos Aires Domestic Service in Spanish 1600 GMT 5 Oct 90

[Excerpts] President Carlos Menem this morning admitted that there have been certain irregularities in the bidding for Entel [National Telecommunications Enterprise]. He has attributed these irregularities to the difficulties encountered by the U.S. banks over the purchase of certificates of the Argentine foreign debt. He revealed that when he met with President Bush, he reported on the difficulties faced by the Manufacturers Hannover Bank to comply with the requirements. [passage omitted]

President Menem has requested those old politicians, including Raul Alfonsin, who want to base their politics on hatred and resentment, to withdraw from politics and open space for the new generations. Menem added that the criticism leveled by the Radical Civic Union chairman stems from his impotence in the face of another member of his party who has much more support and prestige and who has left him with just the title. [passage omitted]

Asked about unemployment, President Menem said that certain sectors are being gradually reactivated. [words indistinct]

Expert Says Bomb Could Be Built in 2 or 3 Years

PY0610221890 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2014 GMT 6 Oct 90

[Text] Buenos Aires, 6 Oct (NA)—Argentina could build a nuclear bomb in two or three years based on the uranium-enriching infrastructure it currently has.

According to an article published in this week's issue of the weekly EL INFORMADOR PUBLICO, "with additional investments of approximately $100 million and the appropriate political decisions, Argentina could produce enriched uranium suitable for building nuclear bombs in two or three years."

The article, signed by Norberto Ceresole, an expert in military affairs, states that currently the uranium-enriching plant located in Pilcaniyeu, 70 km from Bariloche, Rio Negro Province, "is capable of producing enough fuel elements to operate a nuclear submarine engine."

"If a political and technical group capable of planning the stages were constituted in Argentina, this country could begin to produce uranium and plutonium for military purposes (nuclear explosions) using the existing facilities and making the necessary investments," the specialist said.

Brazilian President Fernando Collor de Mello recently said that there were secret plans in Brazil to build a nuclear bomb, but that the government has shelved them.

Since the Persian Gulf crisis began, the highest international levels have been analyzing the possibility of a proliferation of nuclear bombs in developing countries.

In Latin America, Argentina and Brazil have the capability to build such a bomb, and Chile could be added to the list, since this country has reinforced its military power; however, Argentina might sign the Tlatelolco Treaty on nuclear nonproliferation in Latin America, which would prohibit the construction of a bomb.

CNEA Denies Radioactive Contamination Claim

PY0610012090 Buenos Aires BUENOS AIRES HERALD in English 5 Oct 90 p 11

[Text] (NA-DYN)—The State-owned oil company YPF stated yesterday that the yellow-green cloud which was seen on Tuesday over La Plata and Ensenada "was caused by a non-toxic industrial process." The incident took place at the La Plata refinery. "This happens when the plant is put to work after being idle for a long time," YPF said. In related news, the National Atomic Energy Commission (CNEA) denied the existence of radioactive contamination of drinking water in the Greater Buenos Aires neighbourhood of Esteban Echeverria. A local family had accused the CNEA of polluting their water but a CNEA document issued yesterday stated that samples of that water were studied and "the presence of radioactive elements was not detected."

Government Gives 26 Oilfields to 9 Provinces

PY0710212490 Buenos Aires BUENOS AIRES HERALD in English 6 Oct 90 p 5

[Text] (DYN-NA)—Nine provinces were yesterday given a total of 26 oilfields for free by the government, for unrestricted development.

Energy Under Secretary Julio Cesar Araoz announced that the provinces of Salta, Formosa, Jujuy, Neuquen, Chubut, Mendoza, Santa Cruz, La Pampa and Rio Negro will benefit from this measure.

"Through this initiative," Araoz said, "we shall be able to begin the process of increasing production and strengthening the level of reserves, through reversing the declining trend registered in these oil fields that have been offered to the provinces."

President Menem's Upcoming Trips Previewed

PY0610013090 Buenos Aires BUENOS AIRES HERALD in English 5 Oct 90 p 11

[Text] (NA)—Recently returned from Venezuela and the United States, President Carlos Menem will only be in Argentina for a week before he sets off on another international tour, this time to Venezuela, Brazil, Italy, Poland and the Soviet Union. Menem, along with Foreign Minister Domingo Cavallo will attend a meeting of the Rio Group of South American states in Caracas, on October 11 and 12. On October 14 he will open an exhibition of Argentine produce in Sao Paulo, Brazil, after which he will return to Buenos Aires. Five days later he will make a week of official visits to the Vatican, Poland and the Soviet Union. Menem will spend three days in the Vatican where he will be received by Pope John Paul II. On October 22 he will fly to Poland for two days where he will meet Polish labour leader and presidential candidate Lech Walesa. Menem's tour will finish with two days in Moscow starting October 24 where he will meet Soviet President Mikhail Gorbachev. Trips later this year to Japan, China, France, Spain and probably Italy have yet to be confirmed.

Cost of Living Rises by 15.7 Percent in Sep

PY0910225290 Buenos Aires BUENOS AIRES HERALD in English 9 Oct 90 p 1

[Text] (DYN)—The cost of living rose by 15.7 percent last month, the Institute of Statistics and Census (INDEC) announced yesterday.

Wholesale inflation was registered as 9.1 percent while the cost of construction rose 11.4 percent.

Upon announcing these figures, Planning Secretary Moises Ikonikoff said that the increase in prices showed a "marked slowdown" in the second half of the month. Predicting a statistical lag for October of "below one percent," he declared that "we're firmly on track towards single digit inflation."

Transport and communications (19.4 percent), health (18.5 percent) and clothing (17.5 percent) were all above the monthly average in the retail figure.

Below the average were miscellaneous goods and services (14.4 percent), food and beverages (14.1 percent) and education (13.5 percent).

* Menem's Efforts To Consolidate Power Continue

90SM0264B Buenos Aires LA PRENSA in Spanish
23 Aug 90 pp 1, 7

[Report by Daniel Lupa]

[Text] After a delay of almost one year Menem has now proceeded to legally confirm his union power by granting recognition to the CGT [General Confederation of Labor] headed by Guerino Andreoni. He is thus the first president in more than 30 years whose administration a CGT will be prepared to back.

But he is thus once again confirming his own limited power in the party in spite of his resounding victory in the Buenos Aires plebiscite, which was nevertheless mitigated by the split in the party.

In this same vein, he is seeing with each passing day how much bargaining he has to do in Congress to gain a modicum of support for his policies. At the same time, he is having to put up with a "sine die" postponement of both his most moderate, least nettlesome bills and the most controversial ones.

In fact, this state of affairs is summed up by the situation in the cabinet. We can readily see here that only one ministry for certain (and perhaps another) identifies completely with the main objectives of the Menem administration. He reportedly admitted as much in confidential remarks just 72 hours ago in La Rioja.

While "Carlos is the one who has the votes," alongside him the [party] machines "seem quite detached, as if they were 'members of the electoral college' with more power than or the power to replace the ballot box," remarked one of the people to whom the president unexpectedly spoke in La Rioja. He was thus underscoring the contradiction between the behavior of ministers, legislators, and party and labor leaders ("the four vectors of power") and "Menem's indisputable popularity in spite of the difficult situation that the country and his administration are going through."

Despite the Change, Little Headway in the Party Either

The list of shortcomings of power begins with the party itself. In spite of Cafiero's resignation, prompted by the defeat of the yes vote, and the clear-cut evidence of his pacts with Raul Alfonsin, the Menem faction made only meager gains in the party leadership.

Eduardo Menem's promotion to the party leadership has merely confirmed to a large extent the line that the Cafiero faction had maintained, in the sense that he represents, among the groups close to the president, the position that an accord is needed with the Buenos Aires government and that the differences with the former head of the PEN [National Executive Branch] need to be narrowed: "Something like a moderate 'Cafiero faction' or a toned down Menem faction," it was remarked in La Rioja.

It is no surprise to those analyzing Senator Menem's leadership that his first public move of political significance as president of Peronism was to meet with the former head of the PEN.

Such a meeting was also a priority on Cafiero's agenda in the event that the yes vote had been victorious. A date and site for it had even been set, the same week as the plebiscite in La Plata. Its purpose would have been not just to celebrate the joint victory but also to accelerate the formation of the "Cafiero-Alfonsin" machine to replace Peronism and Radicalism, thus giving rise to the "third historical movement."

Peronist circles were unable to explain to anyone's satisfaction what benefit the Menem faction might now derive from a meeting with someone who has faded so badly in his party that even Deputy Federico Storani, interviewed on TV last Tuesday, could not bring himself to voice explicit support for keeping Alfonsin as party leader.

But although this may only be an anecdote or a mistake, it seems consistent with who the officers of the Peronist National Council are. If we look closely at the appointments, the Menem faction managed to put in just one man, Cesar Arias, and even his political position is quite complex and many-sided, hardly allied with the free-market currents that are at the core of the administration.

On the day that Cafiero's resignation was accepted and Eduardo Menem was named to replace him, the small party "clique" that was called together was expecting men of different political persuasions and commitments to be appointed. Whereas mention of all the others, except Carlos Menem, was greeted with silence, the name of Cesar Arias brought a loud chorus of support ("Menem, Arias, a single heart"), prompting a sarcastic comment in a low voice from a smiling Eduardo Menem to his much applauded colleague on the council: "What support! The boys came well coached, it seems!"

A Reluctant Bloc

Eduardo Menem's political proximity to Bauza and Manzano would seem to reflect the unmistakable influence that a line like this has not only reached inside the party but also within another of the aforementioned "vectors of power": the Peronist blocs in both houses. This had been striking when Bauza headed the Interior Ministry, and though somewhat less clear-cut after the emergence of slightly more congressional support for Menem, it is similar to the influence that the Mendoza deputy provides.

Although there may be justified delays and intense resistance in connection with a bill like the "death penalty" (a decision like this, except if "one is over a barrel," cannot be made in 24 hours or even in 24 months; it can come only as the result of thorough, profound reflection), the same cannot be said of bills like the employment bill, which ultimately does not make major or fundamental changes in existing legislation but

is urgently needed given the conditions under which the economy and business are operating.

The same goes for bills regulating the right to strike in state-run enterprises and certain financial bills, such as the one dealing with the conversion and deposit of Bonex [Foreign Bonds]. In fact, just 21 percent of the bills that the Executive Branch has submitted have been passed over the last nine months, while 60 percent have not even made it out of committee.

And this is happening in a Congress in which Peronism has a clear majority, especially if we combine its own bloc with its electoral allies and the sometimes allies who emerged after the party took office. The Peronist deputies who in one way or another are associated with the Alfonsin faction (actively in a few cases, but more often than not in a passive, compliant manner) seem to be in the majority, which runs counter to the voters' decision at the polls in Buenos Aires in condemning the Cafiero-Alfonsin convergence.

The Cabinet, a Bellwether

The heterogeneous makeup of the cabinet at present is no surprise given how these power groups are behaving. On the one hand, for example, it includes people like Bauza and Dromi and, on the other, Gonzalez and Cavallo, whose views are so different.

It is even less surprising that this battle is taking unexpected turns, such as the appearance of a book signed by the president himself and one of his ministers as a sort of political and economic platform that addresses the issues making up the "conflict zone" between this minister and one of his colleagues. The most unfortunate result of all this is a contradictory, inconsistent administration that on the one hand proposes privatizations and, on the other, calls for the expansion of the government's business activities.

What Underlies the Contradictions

Menem's brief analysis in La Rioja presumably prompted some of his guests to draw two major conclusions.

The first is that the president's well-known and obvious contradictions (support first for a no vote and then for a yes vote; the announcement of wage hikes and then urgent calls for wage restraint; dramatic appeals for competition, followed by half-hearted measures to free up the market, etc., to mention just a few of the most recent and significant ones) can be explained by the fact that it is impossible for him to conduct himself publicly with the freedom of action that control of the main components of the machine would allow him. These limitations mean that he must compromise on and moderate his own goals as a function of "political realism."

The second is that the basic political plan behind the president's immediate goals is equally clear. He wants to control these machines by way of an effort that he has been putting off both because of his own limited political leeway and because of uncertainty about the effects that such an offensive could have. As has happened now in organized labor, Menem himself has apparently come to the conclusion that the power of the symbols who are resisting him no longer corresponds to the power that his internal opponents actually possess and, consequently, that he need not make concessions because the political space that he enjoys is larger than he has imagined.

Bolivia

Embassy in Kuwait Closed; Alternatives Discussed

PY0910134590 La Paz La Red Panamericana in Spanish 1130 GMT 8 Oct 90

[Text] Foreign Minister Carlos Iturralde has reported that Bolivia has decided to close its embassy in Kuwait because of the raid by Iraqi troops. According to a government source, the Bolivian Government was forced to close its embassy in Kuwait due to the difficult situation prevailing in the region and to the Iraqi invasion of Kuwait.

We have decided to close our embassy because Iraqi troops have raided its facilities, Iturralde said. In the past few hours, Iturralde has ordered the counselor to leave the region and immediately return to Bolivia. He said Bolivia has adopted a specific position on the tense situation in the region and pointed out that the Bolivian Government supports the UN decision on this situation.

Iturralde said oil price increases are damaging Bolivia and other countries and noted that the possibility of establishing a diplomatic mission in the region is being analyzed, taking into account the importance of the area. The decision to establish an embassy in Egypt has been ruled out, while Amman is being considered as another alternative for Bolivia's diplomatic activities in the area.

Officials Discuss $40-Million Credit Lines

PY0910142090 La Paz La Red Panamericana in Spanish 0000 GMT 9 Oct 90

[Text] The Bolivian Foreign Ministry has begun meetings with Mexican representatives to arrange the prompt disbursement of the $40 million that was discussed by President Carlos Salinas de Gortari.

During his visit to our country, the Mexican president said that he will arrange for two credit lines of $20 million each to allow the Bolivian private sector to produce its own initiatives and draw up programs. The foreign minister reported that the Foreign Ministry is working on this issue because it is in the interest of Bolivia.

Brazil

Collor Thanks King Husayn for Helping

PY0910235590 Brasilia Domestic Service in Portuguese 2200 GMT 9 Oct 90

[Text] Brazilian-Iraqi relations will not be affected by the release of Brazilians in the Persian Gulf according to Ambassador Paulo Tarso Flecha de Lima, who led the diplomatic mission that negotiated the return of the Mendes Junior Company employees, the Maxion Enterprise employees, and the employees of Brigadier Piva.

Ambassador Flecha de Lima arrived on 8 October on the Iraqi Airways plane that brought the most recent batch of 82 Brazilians from Iraq.

During a news conference, Flecha de Lima stressed that the release of the Brazilians from the area of conflict was made possible because of the prompt diplomatic action by Brasilia.

[Begin Flecha de Lima recording] I believe that right now relations at the economic level are being conditioned to the implementation of international legislation that is mandatory within Brazilian law, and that at this time there is very little that can be done.

But, it is a country that (?leaving aside current conditions) has always expressed deep sympathy for Brazil. Brazilians who worked there were, in general, treated very well.

Delegates of the enterprises have said that they will return there as soon as conditions return to normal. Thus, I believe that [words indistinct] will not have any difficulties over the return of those employees. [end recording]

Today President Fernando Collor telephoned King Husayn of Jordan, whom he thanked for his help in the release of the Brazilians in Iraq.

The Iraqi Airways plane that brought the latest group of Brazilians will return to Baghdad on 10 October. The crew took advantage of their free day today to go shopping in Brasilia.

Development of Sparrow-Type Missile in Iraq

PY0410155990 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Oct 90 p 13

[Report by Roberto Godoy]

[Text] The Al-Taw'Han [name as published] air-to-air missile on which 21 Brazilian experts hired by the HOP [Hugo de Oliveira Piva] company owned by Brigadier Hugo de Oliveira Piva have been working in Iraq prior to the invasion of Kuwait is not a light weapon like the Piranha missile developed in Brazil. In fact, it is a sophisticated supersonic interceptor with a range of 40 km.

The Al-Taw'Han has a dual guidance system that combines precision radar and infrared heat sensors. It carries a 45-kg warhead. Initial test launchings were scheduled for December 1991.

Everything began in 1985 when Minister of Industry and Military Industrialization Kamil al-Majid [name as published], son-in-law and cousin of President Saddam Husayn, decided to launch an ambitious program to develop air-to-air missiles, a field in which Iraq was totally dependent on foreign supplies. A British-trained arms engineer Ahmed Ayoub [name as published] was appointed project supervisor. He immediately received $40 million for initial investments in trained personnel and support equipment. Ayoub's local team designed a two-stage project. First, the team would get acquainted with the latest concepts for the construction of electronic weapons, and then it would produce two missiles. One would be a simple, defensive missile with a maximum range of six km and a heat-seeking guidance system that would find its target by homing in on the heat generated by the turbines of an enemy plane.

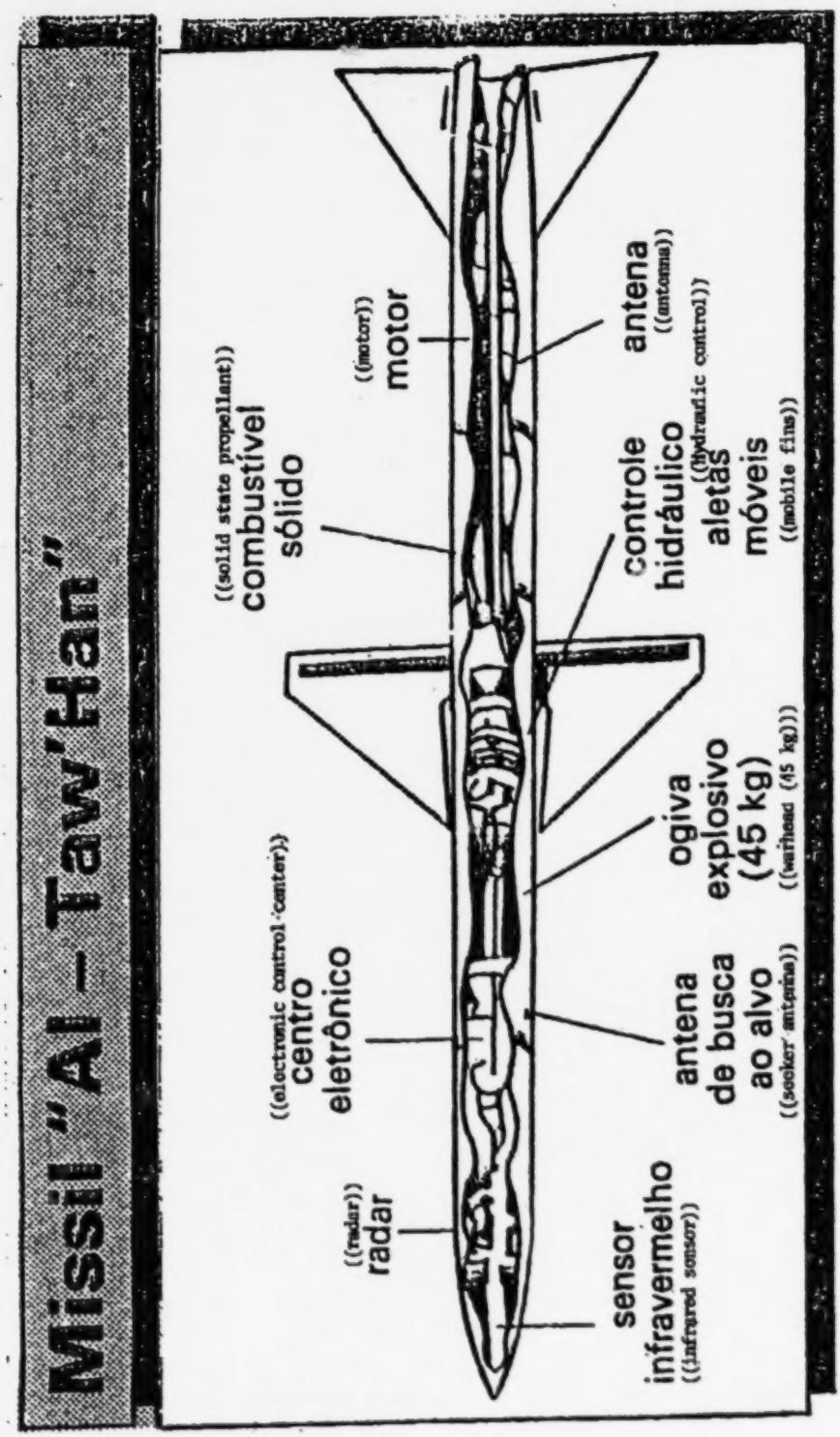
Such a missile would be produced in large quantities at the probable cost of $150,000 [quantity not specified]. At the same time the plan for manufacturing the Al-Taw'Han for selected use would be put into operation with the utmost secrecy.

The Iraqi military engineers established the specifications for their missile, drawing their inspiration from the U.S. AIM-7E Sparrow (Pardal), one of the most successful designs in this field. Presented in 1962 and constantly improved since then by its supplier, the Raytheon Company, 25,000 AIM-7E's have already been sold to seven countries other than the United States. In the United States the Sparrow continues to be part of the U.S. Air Force inventory as a medium-range interceptor.

The configuration of the smaller missile was finally based on the Sidewinder-J, quite possibly the most popular in the U.S. arsenal. This initial task took slightly over one year, a period during which the facilities to house the assembly lines were also built in Baghdad's military-industrial district.

By then, May 1987, a mission of Brazilian military industrialists and experts arrived in Iraq. Brigadier Piva, then chairman of the recently created Orbita Espacial—a partnership made up by Engesa [Specialized Engineers, Inc.] (40 percent), Embraer [Brazilian Aeronautics Company] (40 percent), and a consortium, the minority shareholder (10 percent)—was carrying in his briefcase the short-range Piranha air-to-air missile which was undergoing aerodynamic tests.

Engineer Ayoub heard out the proposal but declined an offer to supply him with a finished product. He said that he would rather offer the Brazilians a plan for binational cooperation. Back in his headquarters in Sao Jose dos Campos, Brigadier Piva tried to get the deal going. An internal squabble with Orbita Executive Vice President


Missil "Al – Taw'Han"
((solid state propellant))
combustível sólido
((motor))
motor
antena
((antenna))
((hydraulic control))
controle hidráulico
aletas móveis
((mobile fins))
((electronic control center))
centro eletrônico
ogiva explosivo (45 kg)
((warhead (45 kg)))
((radar))
radar
antena de busca ao alvo
((seeker antenna))
sensor infravermelho
((infrared sensor))

Vito Di Grassi compelled Piva to leave the company, although he did not leave this line of business. Even before setting up the HOP company, Hugo Piva was already discussing with Iraqi Government officials an advanced program for launching a reconnaissance satellite, an electronic spy. This idea did not work out, but the project to build air-to-air missiles was maintained.

The following six months, until March 1988, were fraught with serious crises. Ahmed Ayoub fell into political disgrace and was charged with involvement with the leaders of semisubversive guerrillas made up of Druze minority members. He left the country for Argentina where he obtained political asylum and where he works for the CITEFA [Armed Forces Scientific and Technical Research Center] a military technical research organization.

In Brazil, the defense materiel manufacturing corporations were shaken by a crisis; they laid off thousands of employees and suspended production. Faced with a composition of creditors, those corporations decided to cut all links with the Baghdad government, responsible for an overall debt of some $200 million. The debt was contracted, with no apparent intention of paying, with Avibras Aerospacial [Avibras Aerospace Industry, Inc.], manufacturer of the Astros-2 rocket launcher, and with Engesa, which has exported more than 1,100 tanks to the Iraqi Army since 1978.

Within that confused environment, and talking directly with Minister al-Majid, Brig. Piva outlined the details for supplying a complete team of Brazilian technicians. Salaries were set at $6,500, plus a $3,500-bonus for the chiefs. Some benefit expenses include housing in a top-level compound, cars for personal use, other maintenance costs, and tickets for periodic visits to Brazil. Most of the 21 people recruited have lost their jobs because of the crisis.

Piva participated in one of the first working meetings between the managers of the priority projects from the Military Industry Ministry and the coordinators of the foreign teams. "There were many Germans, French, Egyptians, and Argentines," he said.

Two individuals linked to the authorities reported a few days later that they were called to a meeting at Kamil al-Majid's office. There, after brief preliminaries, they were made privy to a secret: the plans for the construction of the Al-Taw'Han missile.

The design, showing a profile of the weapon, was on the conference table covered by reflective glass that prevented us, for example, from taking pictures or from scrutinizing it with a graphic microlaser. It was then clearly stated that the weapon would be the main exclusive objective of the contract, involving a multinational group of independent professionals.

Piva considers it "possible that not all the Brazilians were aware of the final objective, given the secret nature of the project which implied manufacturing the missile in segments totally independent from each other." It is not easy to clearly explain that involvement. "Officially, none of the research institutes in Brazil have ever been involved in such a highly advanced project," an FAB [Brazilian Air Force] officer said yesterday. According to him, "passing from the Piranha stage to a higher level is like trading in an ordinary car for a Ferrari: It takes some time to adapt, but since the operating principle is the same, at least basically, if the owner is talented, efficiency improves."

The Al-Taw'Han is a clear copy of the U.S. Sparrow, except for the dual guidance system, an uncommon solution. Guidance control is achieved by movable forward fins, controlled by on-board electronics. The Al-Taw'Han measures approximately 3.6 meters in length and 23 centimeters in diameter. It weighs 230 kg at the moment of firing and has a wing span of slightly more than one meter.

Its 4,800-km-per-hour speed allows it to reach the ideal point of impact less than 30 seconds after ignition. Immediately after launching, the missile is "illuminated" by the carrier aircraft radar while the missile is reading its own data during the terminal guidance phase before engagement.

The employment of this type of weapon on high-performance aircraft such as the Soviet MiG-29 received by Iraq over the past two years is a factor capable of guaranteeing the Iraqi Air Force a considerable increase in fire power and in airspace control.

This means that the intercept squadrons of the air defense command can leave their secret desert bases flying 2.2 times the speed of sound and tracking possible intruders with the help of ground radars and the Iraqi Awacs.

This gives them a capacity to kill the enemy long before visual contact. So far in the region this has been an exclusive capacity of the sophisticated Israeli Air Force and of the U.S. fighter aircraft deployed to the Middle East over the past six weeks.

Illegal Lumber Operation in Amazon Fined

PY0910131890 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 8 Oct 90

[Text] The IBAMA [Brazilian Institute for Environmental Affairs and Renewable Natural Resources] has fined a company the record sum of 190 million cruzeiros for illegally cutting trees in the Amazon jungle. This is another achievement of the Amazonia Operation, which oversees deforestation activities in the region.

The (Getal) Lumber Company has been fined for having a storage area and a huge stockpile of wood without a permit. The fine, which is the largest ever charged in the country, totals 190 million cruzeiros.

IBAMA Chairperson Tania Munhoz traveled to the region by helicopter and flew over deforested areas and burned out areas along the Amazon River, where the

people who live near the banks have already cut down almost all of the native trees.

Thanks to helicopter overflights, IBAMA located the (Getal) storage area last week. This is the fourth such stockpile found during the second stage of the Amazonia Operation. The wood that can be seen floating on the river is only one-third of the total that has been cut. The rest of the wood—all of it first class, excellent wood—is submerged. IBAMA agents believe that in this storage area alone there are 8,000 cubic meters of wood.

This multinational company has been working in the region for four years, and it is impossible to establish how much wood it has illegally exploited during this period.

This storage area is located at a curve in the Amazon River, 120 km from Manaus. It has facilities for 40 employees, cranes to hoist the wood, and radio sets to communicate with their base. The deposit campsite was almost empty because of today's holiday. The IBAMA wrote out two 95,224,000-cruzeiro fines and gave them to the employee in charge of the storage area.

The wood, consisting of kapok ceiba, virola, muiratima, Brazilian beautyleaf, and copal—a tree that even the local natives do not cut—has all been seized and the storage area closed down.

[Being Munhoz recording] The deforestation problems we are worried about are those created by the poor settlers, whom we have to educate and show how to preserve the forest. Companies like this one, however, with all this infrastructure, are not small companies. We cannot allow them to profit at the expense of the environment. That is not possible. [end recording]

Rezek Complains to Amnesty International

PY0910214790 Rio de Janeiro O GLOBO in Portuguese 7 Oct 90 p 12

[Text] Brasilia—"It would be easy to take advantage of the stupid and insulting language used by Amnesty International in its advertisement to disrupt the way in which we cooperate with that important human rights defense organization, but that is not what the Brazilian Government will do."

This is a portion of the letter sent yesterday by Foreign Minister Francisco Rezek to Amnesty International Secretary General Ian Martin in which he reacts and describes as "dishonest and unworthy" the advertisement published by Amnesty International in the London newspaper THE INDEPENDENT. The advertisement seeks to recruit new members.

With the title "Brazil has already solved the problem of how to get children off the streets: By killing them," the advertisement states that seven million abandoned children are currently living on the streets of Brazil.

Rezek states in his letter to Ian Martin: "Irrespective of our understanding that Amnesty International needs to call attention to its defense of human rights, the sensationalism and trivial attitude with which the problem was used was particularly improper. It is a problem that, given its seriousness and importance, is being dealt with by the Brazilian Government with maximum dedication."

In his letter, the foreign minister quotes President Fernando Collor's speech at the World Summit for Children in New York at the end of September. He said: "In the face of recent reports of human rights violations against children in my country, I have ordered the Council for the Defense of Human Rights of the Ministry of Justice to be restructured, seeking to turn it into an instrument that will permanently protect the physical integrity of children."

Rezek expressed surprise over "the biased language used to insinuate the complicity of the Brazilian Government or its lack of concern " in stopping crimes against children on the streets of Brazil. In his letter, the Brazilian foreign minister reminds Martin of the visit to Brazil of Waly Ndiaye, vice president of Amnesty International, who met President Fernando Collor when the Brazilian Government believed it was inaugurating a new stage in its relations with the organization, relations which have not been smooth for the past few years following reports of human rights violations in Brazil.

"At least, that was the government's hope," Rezek states in his letter.

The foreign minister ends by stating that Amnesty International must decide on the future of its relations with the Brazilian Government.

Newly Elected Governors Celebrate Victories

PY0910140090 Rio de janeiro Rede Globo Television in Portuguese 2300 GMT 8 Oct 90

[Excerpt] [Passage omitted] Three governors elected in the first round of elections are already celebrating their victories with car processions in their capitals.

Mato Grosso Governor-elect Jaime Campos gathered some 7,000 people in downtown Cuiaba. Buses from the interior of the state also took part in the parade, which was accompanied by a band.

In Fortaleza, Ceara State, Governor-elect Ciro Gomes began his procession in Aldeota District and passed through 25 districts over 50 km. Ciro Gomes was accompanied by Beni Veras, who was elected senator on the same ticket.

In Recife, Pernambuco State, Governor-elect Joaquim Francisco took part in a procession that went through Olinda and Recife. Accompanying the governor-elect were Senator Marco Maciel, Vice-Governor Roberto Fontes, and several candidates for federal and state deputy positions.

Former Minister Iris Rezende, who was elected Goias governor, today left the Samaritano Hospital in Goiania; he had his spleen removed there last week. [passage omitted]

Mexican President Arrives for Two-Day Visit

PY1010015490 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 9 Oct 90

[Text] Mexican President Carlos Salinas de Gortari arrived in Brazil today for a two-day visit. Mexico, which has recently undergone an economic stabilization and modernization program, wants to strengthen political and trade ties with Brazil.

President Carlos Salinas was received at the Brasilia Air Base by President Fernando Collor and Foreign Minister Francisco Rezek. Writers and businessmen also came in the official entourage from Mexico. The two presidents went to Planalto Palace from the air base to hold a meeting.

Right now, President Fernando Collor is hosting a reception for President Carlos Salinas at Itamaraty. Tomorrow, the Mexican president will leave for Sao Paulo, where he will meet writers at the Latin America Memorial and dine with businessmen at FIESP [Sao Paulo State Federation of Industries].

On 11 October, President Carlos Salinas will leave for Caracas, Venezuela, where he will attend the Rio Group meeting.

* 1991-95 Petrobras Investment Plan Proposed

90SM0234B Rio de Janeiro O GLOBO in Portuguese 12 Aug 90 p 55

[Article by Ramona Ordonez]

[Text] The best replacement for imported petroleum continues to be domestic petroleum. And Brazil's solution for reducing its dependence on imported petroleum depends on increasing domestic production, according to Luis Octavio da Motta Veiga, chairman of Petrobras [Brazilian Petroleum Corporation]. An important reason is that reserves of discovered petroleum already exist—chiefly those located in the giant Marlim and Albacora fields in the Santos Basin—with the result that it will be possible to reduce foreign dependence drastically.

Our country consumes an average of 1.2 million barrels of petroleum per day. About 50 percent of that is imported, and 85 percent of the imported volume comes from the Middle East, a region that historically has been in conflict. And to complicate the situation, 190,000 barrels daily were being bought precisely from Iraq and Kuwait.

How can the country reduce that vulnerability? Looking for suppliers outside the Middle East is possible, of course, but it is difficult to reduce purchases from that region, which supplies almost 50 percent of the worldwide demand. In an exclusive interview with O GLOBO, the chairman of Petrobras revealed that one solution, no doubt, is for the company to invest "so as to reach the goal of supplying 80 percent of its petroleum requirements." For that purpose, the firm submitted its Multiannual Investment Plan for 1991-1995 to the government last week.

According to that plan, which is being kept secret by Petrobras, the country needs to invest $16.9 billion over the next five years to achieve the goal of producing one million barrels in 1995. The investment would rise from $1.9 billion this year to $2.5 billion next year, $3 billion in 1992, $3.4 billion in 1993, $3.7 billion in 1994, and $4.1 billion in 1995. Of the total investment, about 70 percent will be allocated to the priority areas of petroleum exploration and production.

Under that plan, domestic petroleum production would rise from this year's 660,000 barrels per day to the following levels (in barrels per day): 1991: 673,000; 1992: 737,000; 1993: 773,000; 1994: 854,000; and 1995: 1,004,000. Consumption in 1995 will total about 1.35 million barrels per day.

According to Motta Veiga, simply bringing phase one of the giant Marlim field into production will result in the production of an amount equal to what the country was importing from Iraq and Kuwait before the war (200,000 barrels per day).

Managers and experts at Petrobras are very concerned about the effect the Gulf crisis will have on the country in three areas. The first has to do with domestic supplies of petroleum products. The firm is not worried: it has an inventory equal to 70 days' consumption and thus can afford to await developments calmly. But the large increase in consumption in July—the sharpest rise in 10 years at a time when a drop in consumption would have been ideal—has begun to worry experts at Petrobras.

Another issue concerns the additional costs due to higher petroleum prices on the foreign market. The price is now up to $28 per barrel, or $10 more than before. Motta Veiga says that although prices have not yet been definitely established, a price of $25.50 per barrel would mean extra expenditures on the order of $1 billion per year.

The third effect will be felt in the area of fuel prices. The chairman of Petrobras points out that in the United States, which has a stable economy and where current prices are in line with the price per barrel on the international market, gasoline prices are already up by 15 percent as a result of the conflict. He believes that one of the first consequences in Brazil will be a revision of the assumptions underlying the fuel price structure. While the amount is not being revealed, it is being said within the company that fuel prices will have to rise by 43 percent as a result of the crisis in the Gulf.

Petroleum Production Versus Consumption in Brazil (1,000's of barrels per day)

Produção versus consumo de petróleo no Brasil (em mil barris/dia)
A produção nacional de petróleo ficou praticamente estagnada na década de 70, situando-se na faixa de 170 mil barris por dia. A partir de 1980, porém, foi crescendo gradativamente até atingir o nível recorde de 616 mil barris/dia, no ano passado. Já o consumo de petróleo teve crescimento ininterrupto durante a década de 70, chegando a 1,13 milhão de barris/dia em 1979. Para este ano, a previsão do Governo é de um consumo diário de 1,102 milhão de barris.
PRODUÇÃO
CONSUMO
1200
1000
800
600
400
200
0
FONTE: Petrobrás

During the 1970's, domestic petroleum production remained almost unchanged at around 170,000 barrels per day. Beginning in 1980, however, it rose gradually to a record level of 616,000 barrels per day last year. But petroleum consumption rose steadily during the 1970's, reaching 1.13 million barrels per day in 1979. The government predicts that daily consumption will total 1.102 million barrels this year.

Key:
1. Production.
2. Consumption.
3. Source: Petrobras.

Motta Veiga also believes that another consequence will be the need to clearly establish the place to be occupied by the National Alcohol Program (Proalcool) in Brazil's energy pattern. He says that alcohol is a fuel which met the need to replace petroleum products in a period of crisis and that it may come to play that same role again in similar situations.

Petrobras is negotiating successfully to replace the 160,000 barrels of petroleum per day which our country was importing from Iraq and the 30,000 barrels per day it would have bought from Kuwait, according to Motta Veiga.

War May End State Monopoly

Iraq may be unintentionally posing a serious threat to the survival of Petrobras and even the state monopoly on petroleum in Brazil. That question began worrying a group of experts at Petrobras last week, when tensions increased in the Persian Gulf.

What is causing the biggest concern—more than the increased outflow of foreign exchange to import petroleum or the threat to fuel supplies—is the future of Petrobras. Those experts fear that the conflict may worsen Petrobras' financial crisis.

The experts say that despite the high petroleum prices on the foreign market, the government may decide to grant small price increases in order to keep fuel prices artificially low as a way of controlling inflation. Low fuel prices and a low inflation rate along with a "bankrupt" Petrobras—those may be the ingredients justifying the end of the monopoly and privatization when the Constitution is revised in 1993.

The experts argue that Petrobras will be able to compete with private companies if it is in good financial health but not if it is financially weak. But the worldwide trend is for state-owned firms to take control of the world's petroleum reserves. In TIME magazine for 16 July of this year, Saudi Aramco, which is Saudi Arabia's state-owned firm, was listed in first place, whereas Exxon had occupied that spot in 1980. On a list of ten petroleum companies, four are state-owned.

Cash Shortage Rising Again

The conflict in the Persian Gulf may cause an unprecedented shortage of cash for Petrobras, according to predictions by experts in the firm. If the higher petroleum prices on the international market are not reflected in fuel prices, say Petrobras experts, the company's cash deficit, which already totaled $800 million before Iraq invaded Kuwait, is going to increase.

The firm managed to reduce its cash deficit from $1.4 billion at the end of last year—a shortfall cause by the lag in fuel prices—to about $500 million at the start of this

year. But its cash deficit has begun to rise again in recent months because prices were not raised for four months following adoption of the Collor Plan.

Now, because of the sudden jump in petroleum prices, the firm's management is predicting a significant increase in the deficit, since the 8.5-percent increase in fuel prices that was authorized on the 3d of this month was not enough to offset the lag in the state-owned firm's prices. Since the latest increase in the price of petroleum products, Petrobras has been receiving about $13 per barrel of petroleum. The reason is that in the fuel price structure, the price of a barrel is set at $17.76 at an exchange rate of 53.40 cruzeiros. The lag now amounts to 43 percent.

If Petrobras pays an average of $28 per barrel, it will be losing $247 million per month. The goal of 700,000 barrels per day was postponed for a year and should be attained by the end of this year.

*** Avibras Rockets Sold to Saudi Arabia**

*** 10,000 Rockets Sold**

91SM0006A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Sep 90 p 12

[Article by Roberto Godoy]

[Text] Two days ago in Riyadh, Avibras Aerospace Industry, Inc., of Sao Jose dos Campos, closed a sale of 10,000 rockets to Saudi Arabia. The sale involves the three types of rockets used by the Astros II multiple launcher, a weapons system already being used by the Saudi ground forces.

Negotiations resulting in the $60 million (Cr$5.31 billion) contract were handled personally by Avibras president Joao Verdi de Carvalho Leite, and signed by Minister of Defense Prince Sultan Bin-'Abd-al-'Aziz, brother of King Fahd. The terms of the order call for prompt delivery.

The federal government has known about the transaction from the beginning. Actually, Verdi de Carvalho has been discussing a sale estimated to be worth $480 million for 18 months now. According to the Ministry of Foreign Affairs, the sale finalized this week was part of that larger potential transaction.

The Saudi forces are still considering purchasing additional Astros II batteries. The purchase of 318 tanks, mainly EE-T1 Osorio main battle tanks from Specialized Engineers, Inc., (Engesa), was halted by the Riyadh government.

Engineer Verdi de Carvalho left Riyadh on Tuesday night and is now in Europe, specifically London and Paris, where he will formalize the financial details of the transaction. All the rockets involved in the sale are in stock at Avibras' high-security industrial facility at the Santa Branca dam in Jacarei.

The company does not normally keep this large an inventory, but was forced to warehouse a lot originally intended for Iraq—now a sworn enemy of Saudi Arabia—after Baghdad officials failed to pay outstanding bills of $40 million (Cr$3.08 billion), although insisting that it wanted to take delivery of new supplies for the Astros II.

Special procedures will be required to ship the Brazilian rockets that were sold to Riyadh. The weapons weigh about 1,800 tons, enough to fill two ships or 20 big Boeing 747 cargo planes. According to Army experts associated with the development of the Astros project, none of the components have been adversely affected by the fact that the SS-30, SS-40 and SS-60 delivery systems have been kept in Avibras factory warehouses for the past 18 months.

The weapon was designed to be "mothballed," i.e., stored indefinitely, with only simple maintenance done on the warheads and the solid fuel. The same experts said that all the units would be checked over before shipment.

Default

The company refused yesterday to comment on the export of weapons to Saudi Arabia, which was confirmed in the evening by Prince Sultan's spokesman, Col. Hisham Hauni. The news had been circulating unofficially since early morning in Washington, where the Pentagon announced it "knew of" the report.

Avibras Aerospace is operating under a "concordata," and is administering a debt of $200 million that is mainly the result of Iraq's default and the lag in exchange rates accumulated during the past five years. The organization, which once had 5,500 on its payroll, now employs no more than 550.

The Astros II system is Joao Verdi's brainchild, one that yielded Brazil approximately $1 billion in exports between 1983 and 1987. The Iraqi Army is its primary user; it used the equipment extensively during the war with Iran, and also in the invasion of Kuwait, although only on secondary positions targeted on the second day of the attack.

Saddam Husayn's forces have 160 launch trailers, and the Ministry of the Military Industry is building its own rockets, copies of the Brazilian models, in order to rearm the batteries. These are composed, basically, of six vehicles—four firing and two reloading units and, sometimes, an electronic command center. A system with this configuration costs $10 million.

Each trailer (built by Tectran, an Avibras subsidiary) is capable of launching 32 SS-30 rockets (having a 20 kg warhead and a 32 km range), 16 of the SS-40's (35 kg of explosives, 45 km radius), and four SS-60's (which carry 150 kg in the warhead, but can carry multiple subcaliber ammunition; they have a range of 70 km).

The warheads are of three types: armor-piercing, antipersonnel, and incendiary. Between 1983 and 1985, Saudi Arabia bought six batteries (36 vehicles) equipped with sophisticated electronic support resources, including advanced land-based navigators.

* Future Sale Negotiated

91SM0006B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Sep 90 p 8

[Article by Roberto Godoy]

[Text] The contract covering the export to Saudi Arabia of 10,000 new surface-to-surface rockets from Avibras Aerospace Industry, Inc., of Sao Jose dos Campos, exceeded the company's initial expectations. The firm had hoped to make a $60 million sale, but closed a deal on Tuesday for $70 million, which is about Cr$5.6 billion. Yesterday the company began to ready the materiel, which has been stored at its maximum-security factory in the Santa Branca reserve in the municipality of Jacarei.

The shipment of the supplies for the Astros II launcher, sold to the Saudi forces seven years ago, will require mobilizing two ships or scheduling 20 flights by Boeing 747 jumbo cargo planes. The rockets weigh a total of 1,800 tons.

The SS-30, SS-40, and SS-60 delivery systems, with their armor-piercing, antipersonnel, and incendiary warheads, became available because the Iraqi Government has not paid its international suppliers since 1987. The rockets, which can strike targets located from nine to 70 km away and carry 25 to 150 kg of explosive charge, were supposed to have been sent to Baghdad two years ago. However, in the face of Iraqi's failure to pay $40 million in outstanding debt, Avibras decided to cancel delivery of the new orders. The step was taken when two containers had already arrived at the warehouses of the agent, Eudmarco, in the port of Santos, and were awaiting transfer to an Iraqi ship. The Federal Police had to intervene to ensure the release of the equipment.

Yesterday, at the headquarters of Avibras Aerospace, company directors saw the sale—personally negotiated in Riyadh by group president and engineer Joao Verdi de Carvalho Leite—as a significant factor in the recovery of the company, which has been operating under bankruptcy protection since January and managing a debt of $200 million. An international trade specialist associated with Avibras believes that the remaining package of $410 million, which has been under discussion for 18 months, may be finalized before the end of the year. It involves Astros II system launch vehicles and command and control cars, besides a shipment of delivery systems with new attack warheads.

* Banespa Opens Branch in USSR

90SM0271D Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 15 Sep 90 p 1

[Article by correspondent Noenio Spinola: "Banespa Places Unprecedented Advertisement in PRAVDA"]

[Text] The bank is opening a branch in Moscow and has published its second paid advertisement in the USSR newspaper.

Moscow—The Sao Paulo State Bank (Banespa) will open its branch in the Soviet capital with a dinner in one of the restaurants in the Kremlin—the government's headquarters—which is made available for special occasions, and also with a rare publicity event: a quarter page of paid advertisement in PRAVDA. This is the second advertisement accepted by the Communist Party newspaper. The location of the dinner is the same as that used by McDonald's in inaugurating its chain of luncheonettes in the Soviet Union.

These concessions are part of the process that is expected to be adopted by the new Soviet leaders to facilitate bilateral contacts, in contrast to the former routine procedure of conducting business by a comprehensive procedure. In addition to the negotiations with Banespa, a bilateral Brazil-USSR commission is now meeting in Moscow to discuss "a package of important projects," according to information supplied by a spokesperson of the Brazilian Embassy.

The Soviets had already—at the time of President Fernando Collor's visit to the USSR—offered Brazil alternative technologies such as that of the Tokamak nuclear reactor, provided this does not contravene the nuclear nonproliferation treaty, which was discussed this week in Vienna. The USSR wants to strengthen its alignment with the United States and would not do anything in this area that might displease its new partners.

The new method of Soviet bilateral negotiation makes it possible to expedite contacts with the USSR authorities.

Chile

Further on Lautaro Group Recruitment Practices

PY0910150490 Santiago LA TERCERA DE LA HORA in Spanish 24 Sep 90 p 8

[Excerpt] The National Federation of High School Students—Fenes—yesterday reported that the Lautaro Youth Movement, which has dedicated itself to carrying out criminal and political propaganda actions, has recruited about 5,000 students from schools in suburban and downtown Santiago.

In a news conference at the Fenes office, Fenes President Alejandro Chanique pointed out that the extremist organization has been growing since 1986 and that 10 percent of its members are women.

Chanique said that according to data collected on the students, about 1,000 members of the Lautaro Youth Movement are learning from adults in the Lautaro Rebel and Popular Forces how to handle explosives and firearms and to participate in robberies.

Chanique added that there is a group that is training youths between 15 and 17 years old to kill Carabineros and to carry out armed robberies; if they are arrested, they will receive only light sentences because they are minors and are acting on orders from other people.

Chanique pointed out that 60 to 80 students take over schools and create terror with banners and flyers and distribute merchandise stolen from supermarkets, bakeries, and caterers in suburban areas.

Chanique pointed out that the rest of the students dedicate themselves to painting graffiti on the walls, an activity that is called "popular culture." He noted that members of the Lautaro Youth Movement distribute a magazine in which they demonstrate how to make homemade arms. They also distribute flyers in which they criticize the current government, the education system, and the United States and demand the resumption of diplomatic ties with Cuba. [passage omitted]

President Aylwin Departs for Venezuela

PY0910175090 Santiago Radio Chilena Network in Spanish 1600 GMT 9 Oct 90

[Excerpt] President Patricio Aylwin left at 0940 for Venezuela, where he will sign important bilateral agreements and represent Chile in its efforts to join the Group of Rio. Shortly before departing, Aylwin signed a decree appointing Interior Minister Enrique Krauss to serve as acting president of the Republic. [passage omitted]

Foreign Minister Views Bilateral Relations

PY0910220090 Santiago EL MERCURIO in Spanish 30 Sep 90 p C-3

[Report by Mario Valle]

[Text] New York—During a meeting here on 29 September, Chilean Foreign Minister Enrique Silva Cimma and his Cuban counterpart, Isidoro Malmierca, agreed to continue analyzing the possibility of restoring bilateral relations, which were suspended in 1973. Silva Cimma said they agreed to take their time in adopting measures in this respect. The meeting, which was held at the United Nations Plaza Hotel, lasted 30 minutes.

Silva Cimma said: "He (Malmierca) understood that we did not need to urgently meet this objective, taking into account that President Aylwin's administration has proposed the reestablishment of relations with all countries, and consequently, Cuba will not be made an exception." Silva Cimma also gave assurances that all problems than could affect the reestablishment of relations will be gradually overcome.

Silva Cimma said that the Chilean Government sees nonintervention in domestic affairs and people's self-determination as essential principles. Asked about the obstacle that the Chilean Government may face in resuming relations, Silva Cimma said: "I think that rather than an obstacle, a series of prior situations are being gradually clarified." He admitted that the Chilean Government should promote the resumption of relations, taking into account the fact that our country decided to break them. He said: This is the reason why this situation is being carefully analyzed, adding that a decision will be made at the appropriate time. In this regard, Silva Cimma noted that Malmierca had said that he understood perfectly the Chilean Government's position and welcomed the positive attitude that was adopted in explaining the Chilean viewpoint to him. Silva Cimma said that Malmierca thanked him because he stated that the Chilean Government will also repudiate any action against Cuba like the one perpetrated against Panama, because Chile advocates the principle of nonintervention. Silva Cimma said that there is no urgent need to normalize relations and that things will be gradually clarified.

Silva Cimma also held several bilateral meetings at the request of the Argentine, Hungarian, Romanian, Belgian, Japanese, Algerian, Finnish, Austrian, Philippine, Spanish, Australian, Canadian, Greek, and Netherlands foreign ministers. He said this fact proved the interest of those countries in strengthening relations with Chile. Yesterday afternoon Silva Cimma held a private meeting with Soviet Foreign Minister Eduard Shevardnadze. He said that the possibilities for strengthening commercial exchange, making investments, and establishing joint ventures and mixed companies were analyzed during the meetings with the foreign ministers, which he labeled as positive for Chilean exports. This fact makes us look forward with optimism, taking into account the foreign currencies it implies for the country. He added that agreements were reached with Finland, Belgium, and the Netherlands on appointing delegations to analyze several matters.

France To Grant $70-Million Credit for Exports

PY0910224190 Santiago Radio Chilena Network in Spanish 1600 GMT 9 Oct 90

[Text] France will grant a credit to Chile for export operations worth 350 million francs, equivalent to some $70 million.

This report was released in Paris at the end of a meeting between French Prime Minister Michel Rocard and Chilean Economy Minister Carlos Ominami.

Everything is running smoothly, Ominami stated. I do not know if the credit will be signed tomorrow, Wednesday, but if not, it will surely be signed by next week.

Ominami added that tomorrow he will sign two protocols of technical assistance for the modernization of economic structures with his French counterpart Pierre Beregovoy.

He also revealed that he and Rocard discussed the possibility of implementing a $10-million program to promote investments in Chilean and French enterprises.

In a report published by the newspaper LE FIGARO, he complains about Europe's delay in investing in Chile. Today our main investors are the United States, Japan, Sweden, New Zealand, and Australia. Ominami stated that Europe's delay in investing in Chile is causing concern.

Colombia

Government Denies U.S. Extradition Request

PA0910232290 Paris AFP in Spanish 2214 GMT 9 Oct 90

[Text] Bogota, 9 Oct (AFP)—The Colombian Government today denied a U.S. request for extradition of Salomon Shourter Benitez. A U.S. judge had requested Shourter's extradition after he was linked to drug trafficking activities.

The Justice Ministry announced that the extradition was denied because the extradition request by the United States arrived three days late.

Shourter Benitez was captured on 26 July and consequently the deadline for the U.S. Government to formalize the request expired on 24 August.

"The formal request was made on 27 August, which is beyond the legally established timeframe," the resolution denying Shouter's extradition explained.

The Justice Ministry reported that Shourter would not be released because a judge in Barranquilla has a case pending against him for forgery and fraud.

The Colombian Foreign Ministry will notify the United States that Shourter's extradition has been denied.

Supreme Court Votes in Favor of Assembly

PA1010021090 Bogota Inravision Television Cadena 1 in Spanish 0018 GMT 10 Oct 90

[Text] We now go to the Supreme Court of Justice where the national constituent assembly has been given an affirmative vote.

[Begin Supreme Court President Jorge Carreno Luengas recording] The following decision has been adopted by a majority of votes on the 24 August 1990 Decree Number 1926:

To declare as constitutional the 24 August 1990 Decree Number 1926 whereby measures are adopted aiming at the reestablishment of public law and order, with the exception of some points.

In order to declare this decree constitutional, the court took into account that it was dealing with the will of the primary or original constituency, that is the peoples' sovereign will which has been expressed in two elections. One in March, when the people independently, in a free and spontaneous manner, called on an election and cast several millions of ballots requesting the constituent assembly. Later, the same people, after the situation on Decree Number 927 had been ruled on, once more cast over five million votes, stating that desire, that hope, to modify the current constitution through a constituent assembly. [end recording]

Your attention please. The court has handed down its verdict on the constitutionality of Decree Number 1926 without any limitations whatsoever. A reporter asked the president of the Supreme Court if the extradition issue could be modified. The Supreme Court president said yes it could because the constituent assembly has not been limited.

Decree Not Linked to Kidnapped Reporters

PA1010021790 Bogota Inravision Television Cadena 1 Spanish 1730 GMT 9 Oct 90

[Text] The government emphatically stated today that the amendments to Decree 2047 reducing sentences of drug traffickers who turn themselves in are not linked to the kidnapping of seven reporters.

Government Minister Jaime Giraldo Angel declared that the elimination of extradition for confessed criminals is only intended to consolidate peace in Colombia.

The decree issued yesterday by the government is intended mainly to realize Colombian people's dream of peace, according to Justice Minister Jaime Giraldo Angel. The new decree contains substantial changes to two articles of Decree 2047 issued in September.

The measure put into effect within the past few hours amends Article 2 of Decree 2047 in that related crimes confessed to by criminals will be dealt with in a single trial. The new government measure establishes that anyone who turns himself in and confesses his crimes will definitely not be extradited.

[Begin Giraldo recording] First, people accused of the illegal possession of arms and conspiring to commit crimes will only have their weapons confiscated.

As for people who confess having committed crimes of any kind, here or abroad, if, during the time they are held under arrest, they are indicted for new crimes, or if their extradition is requested, they will not be extradited as long as they remain under arrest. If they plead guilty to these new crimes, they will be tried here in Colombia. If

they plead not guilty, they will also be tried here, but they will not have the right to reduced sentences.

The third point covered by the decree issued yesterday is that anyone who escapes or tries to escape will forfeit all the benefits of the decree. [end recording]

The government has flatly stated that the new measure is not linked to any particular situation, but is rather new proof of the government's desire for peace.

President on New Proposal To Maintain Order

PA0710180290 Paris AFP in Spanish 0205 GMT 5 Oct 90

[Text] Bogota, 5 Oct (AFP)—President Cesar Gaviria announced today that his government intends to change its handling of public disturbances caused by guerrillas, drug terrorists, paid assassins, paramilitaries, and common criminals.

At the inauguration of his first meeting of governors and other regional leaders, Gaviria stated "we cannot content ourselves with general procedures or fall into oversimplications, such as believing that we will resolve the problem simply by increasing the number of soldiers or the harshness of the punishment imposed by our judges."

He revealed that he had presented a proposal for a comprehensive policy on violence that covers each of its forms. The president added: "We will promote new measures to ensure the efficient implementation of our policies in the same unilateral manner in which we have proceeded up to now and without subjecting ourselves to any pressure."

Gaviria noted: "It will be of no service to put out a fire here while another fire is spreading elsewhere. We have to attempt to put out all the fires and create conditions amid which new areas of conflict will not arise."

He also asserted that "all our efforts will be directed toward establishing a public order policy and at not allowing problems to determine our policies or overwhelm us."

Gaviria reaffirmed his peace proposal to the Revolutionary Armed Forces of Colombia (FARC) and the Army of National Liberation (ELN) rebels. The president insisted that through dialogue, these groups will be able to demobilize and join society.

"The groups that do this [hold dialogue with the government] can be assured that we will offer them the necessary political and legal guarantees for them to reach their political objectives through political means, just as the M-19 [19 April Movement] has done," the president said.

Gaviria noted that the drug traffickers have amassed immense riches and have unleashed unprecedented violence in the country. The existence of this traffic depends on the growing demand for drugs in industrialized countries.

The president said: "Drug terrorism is the main cause of violence in Colombia and we must confront it" because drug terrorism is "the main threat to our democracy."

After acknowledging the success of the various security agencies in the fight against these scourges, Gaviria suggested "a great coordinating effort to improve state organizations," as well as strengthen the administration of justice.

The proposed reform of the judicial system "is a mechanism whereby special and public order magistrates can reduce sentences within specific limits and pass conditional sentences on anyone who turns himself in, confesses his crimes, surrenders his firearms and the goods connected with his crimes, and cooperates in the investigation," Gaviria pointed out.

The president demanded the consolidation of defense and the protection of human rights and held drug terrorists and armed groups responsible for the violations of these rights. He admitted, however, that state agents have sometimes participated in such aggression.

Ecuador

Supreme Court Judges Return to Work

PA0810181390 Hamburg DPA in Spanish 1356 GMT 5 Oct 90

[Text] Quito, 5 Oct (DPA)—The 16 judges of the Ecuadoran Supreme Court of Justice, who were dismissed by the National Congress, continued working normally today after declaring the congressional decision unconstitutional and receiving the "total support" of the government.

Speaking for the judges whose appointments two years ago were declared illegal by the National Congress, which is now controlled by the opposition, Supreme Court President Walter Guerrero stated this morning: "We are conducting business as usual."

Judicial activities, however, remain suspended as a result of the indefinite labor stoppage declared by judicial branch employees. The employees are rejecting the reorganization ordered by Congress, which President Rodrigo Borja's government described as "arbitrary."

According to the information given yesterday, 4 October, by Congress, President Averroes Bucaram said, after concluding the current regular session of Congress that will officially close on 9 October, the new Supreme Court judges will be appointed during a special session of Congress scheduled for mid-October.

The current judges, whose terms end on 10 August 1992, returned to their offices amid the entire country's expectation of an imminent exacerbation of the quarrel

between the Congress, which dismissed the judges, and the government, which decided to support them.

The government's decision not to recognize the dismissal implies that the current judges will be protected so that they can continue working, and also that the new judges whom the Congress will appoint will be prevented from assuming their posts.

To dismiss the Supreme Court, the majority in Congress declared the August 1988 appointments of the current judges illegal, although this is the first time since their appointments that this has happened.

In August 1988, the Ecuadoran Congress—then controlled by a pro-government bloc—appointed the current Supreme Court judges because the previous judges had voluntarily resigned, thinking their terms had concluded.

Both the government and the Supreme Court of Justice objected to the congressional decision passed by the majority of its members. The decision was made a few hours after three legislators were seriously injured as a result of an attack carried out by a group of fiery opposition deputies inside the Congress. The three deputies received medical care in private clinics in Quito.

All of the country's groups have harshly criticized the scandal caused by the majority bloc, describing the attack as "shameful." The three legislators were attacked from behind with blunt objects.

Borja Swears in New Public Works Minister

PA0710194390 Quito Radio Quito in Spanish 2300 GMT 5 Oct 90

[Excerpt] President Rodrigo Borja today swore in new Public Works Minister Raul Carrasco Zamora, who replaces his cousin, Engineer Juan Medina Carrasco. During the swearing-in ceremony, the president deplored the way in which the outgoing minister was criticized, adding that he did exemplary work and made great efforts during the two years he held the post. He also wished the new public works minister success in satisfactorily carrying out the duties of his office. [passage omitted]

Paraguay

President Reveals Details of Aborted Coup

PY1010022290 Asuncion RPC Television Network in Spanish 2245 GMT 9 Oct 90

[Text] Today President Andres Rodriguez said that seven low-ranking sergeants had the idea of wanting a change of regime, but along the way they were discovered and have now been given disciplinary punishment.

Today General Rodriguez gave a more complete version of this incident, noting that if higher ranking officers are implicated, then the military courts will take immediate action, and they will be inflexible.

[Begin recording] [Rodriguez] Sergeant Fleitas, 21, talking with Sergeant Felter, came up with the idea of visiting their class comrades to invite them to carry out a rebellion to change the regime for another regime.

[Unidentified reporter] Mr. President, does this incident mean that there could be a crack in the Armed Forces support for you?

[Rodriguez] Absolutely not. Look here, I do not say that those seven could cause a crack in the Armed Forces. In no way. I do not believe that. I have full confidence in the Armed Forces, and I can assure you that up to the present time, I am sure that I continue to be the true and genuine commander in chief of the Armed Forces.

[Reporter] What were these people questioning?

[Rodriguez] They said absolutely nothing about what they wanted. They only stated that they had found.... [Rodriguez changes thought] I believe it is an invention, that is what I believe; an invention thought up by Sergeant Fleitas when he said that the person who gave him 50 thousand guaranies for his fare to go from such and such a place was a man of regular height, dark skin, and drove a Peugeot 504 car. It then emerged that this person brought a small valise, opened this valise, and gave him 50 thousand guaranies. There was nothing more.

[Reporter] Mr. President, if the names of the higher ranking officers that could be implicated in this alleged plot come to light, will the citizens be told?

[Rodriguez] Of course. You are going to be the first ones to know because inflexible measures will certainly be taken. [end recording]

Argana Returns From U.S., Dismisses Rumors

PY0910211890 Asuncion RPC Television Network in Spanish 1500 GMT 9 Oct 90

[Text] This morning, Luis Maria Argana, acting chairman of the Colorado Party executive board, returned from the United States, where he went for family reasons. Jorge Ramos filed this report.

The rumors and speculation have ended. At approximately 0800 this morning, former Foreign Minister Luis Maria Argana arrived at our main airport from the United States. There was a great deal of anticipation at the airport, where journalists and many curious people gathered in front of the door through which Argana was expected to appear. The presence of Dr. Argana's wife and sons was noted by journalists from various mass media.

Dr. Argana explained why he traveled to the United States.

[Begin recording] [Argana] It was a trip that I made only for family reasons. I visited one of my sons who is studying in the United States.

[Unidentified reporter] Several reports circulated here....

[Argana, interrupting] Yes, I was told about them, but they are totally meaningless.

[Reporter] Many people have said that you will have to explain to the ANR [National Republican Association] why you traveled without giving prior notice.

[Argana] That is nothing but a funny idea.

[Reporter] Did you report that you were traveling?

[Argana] I left a message for the party vice president telling him that I was traveling.

[Reporter] Some of your fellow party members in the traditionalist Colorado Party faction have termed your decision to travel without giving prior notice as irresponsible because your absence made it impossible for the party executive board to hold its sessions.

[Argana] I did not make it impossible for the party board to hold its sessions because the party has a vice president and if the vice president.... [Argana changes thought] If a session was due to be held and if the people did not accept the presence of the party vice president, then it is those people who were actually irresponsible. The vice president is part of the party institutional structure.

[Reporter] Your trip coincided with several situations that were, let us say, a bit dubious and not very clear.

[Argana] I would not say there were dubious or unclear situations, but routine matters in the life of a party. [end recording]

Confiscated Cocaine Reportedly Aimed at U.S.

PY0910152490 Asuncion ABC COLOR in Spanish 9 Oct 90 p 28

[Text] The National Narcotics Directorate [Dinar] has reported that the 343 kg of cocaine seized by military personnel in Parque Cue in the Paraguayan Chaco in mid-September was about to be sent to the United States and Europe. Dinar reached this conclusion after determining that the type of pure cocaine and the wrap containing the "merchandise" were sent only to those places.

The sources said Dinar experts carefully analyzed the drug and found out that the cocaine hydrochloride confiscated in the Chaco region was very pure (97 percent), which is the typical percentage for cocaine sent to the United States and Europe.

The alleged "cartel" that—according to Dinar—may be operating in Paraguay is reportedly using Chaco airspace to transport the cocaine because of the poor to nonexistent control over the region due to the lack of appropriate equipment.

The sources added that the Medellin Cartel uses this type of wrapping to package the cocaine to waterproof the merchandise, which is launched from aircraft to speedboats that are in contact with the planes transporting the drug.

The sources also said that the speedboats used in the Caribbean area, one of the international centers for drug distribution, can reach speeds of 80 to 90. The patrol boats used by military or police antidrug forces that control the zone cannot go that fast.

Teachers Strike Partially Observed 8 Oct

PY0910160090 Asuncion ABC COLOR in Spanish 9 Oct 90 p 16

[Excerpts] The teachers strike called for 8 October by the National Education Workers Coordinating Board [Coordinadora Nacional de Educadors—CNE] was partially observed nationwide. The measure, which was aimed at protesting the nonpayment of the retroactive salary increase, was fully observed in the interior of the country, but only partially in the capital. Education Minister Angel Seifart has said that no action will be taken against the teachers because they staged only a "symbolic strike." [passage omitted]

The measure adopted by the CNE was partially observed in the capital while all the teachers in the interior joined the strike.

Most of the teachers belonging to the Paraguayan Education Workers Organization observed the strike while those from the Education Workers Federation [FEP] only partially observed the action. The FEP had ordered its members not to join the strike because the government is complying with its promises. [passage omitted]

Peru

Fujimori Discusses Need To Reform Penal System

PY0910153090 Lima Television Peruana in Spanish 1100 GMT 9 Oct 90

[Excerpts] President Fujimori has said that the pardon is a constitutional provision that does not interfere with the autonomy of the judicial branch. He made this statement as he signed a depenalization decree at the Santa Monica Women's prison. The president visited this prison with his wife and Hernando de Soto, president of the Liberty and Democracy Institute. The president, who was greeted warmly by inmates, visited the installation and the area reserved for inmates' children. He then delivered a speech from a podium set up in the prison yard.

[Begin Fujimori recording] [Passage omitted] We are simply trying to ease the serious prison crisis, one aspect of which is overpopulation. We know that if we do not implement legal measures to substantially modify penal procedures, the penal code, and the penal execution code in the short term, prisons will quickly become overpopulated again. This is why the pardon for inmates with

served sentences is a temporary solution while penal and criminal reforms are being implemented and the penal structure modified to prevent prison overpopulation.

As a short-term solution, I recently signed and made public in the EL PERUANO official bulletin a draft bill to urgently reform penal laws. The reason I presented this draft bill to Congress is the urgency with which some articles of the penal, penal procedure, and penal execution codes must be reformed. The inhuman conditions in which our prisoners are living demand it.

As for the penal procedures code, we propose to reorganize—with respect for human rights—coercive measures against individuals and to reduce the level of repression and the illogic of our penal system by turning the act of detention into an exceptional procedure. We are proposing to reduce the number of offenses requiring detention, restricting use to truly serious crimes that may require it. We also want to extend the use of detention to cases of property, tax, and economic crimes. We are proposing to increase the possibility of release from prison by imposing a four-year term as the limit [sentence as heard]. We are proposing a simplification of bail procedures and the establishment—in accordance with the American Human Rights Commission and the International Civilian and Political Rights Pact—of norms guaranteeing that detentions should not last more than six months in the case of a summary process and two months in the case of a special ordinary process [procesos especiales ordinarios], in accordance with constitutional principles.

My friends, this is a plan intended to take hold over several years, and it must continue nonstop, because we are all interested in solving the serious problems with penal justice in our country. Penal reform will contribute to improving the general administration of justice in Peru. We must urgently bring justice to Peruvians who have been unfairly imprisoned. Thank you. [end recording]

Calmell Elected New AP General Secretary

PY0910222290 Lima EXPRESO in Spanish 1 Oct 90 p 6

[Excerpt] At almost midnight last night, the Popular Action [AP] party congress elected by consensus Fernando Calmell del Solar, a former minister and senator, as AP general secretary in view of the possibility that a split could take place in the party founded by architect Fernando Belaunde Terry.

Calmell del Solar's election was a Solomonic solution to an internal struggle between the groups that promoted the candidacies of Javier Alva Orlandini and Carlos Bazan Zender. The disagreements that raised the prospect of a split were dispelled late in the evening when, at the request of Belaunde Terry, the congress met again and, in view of Alva and Bazan dropping their candidacies, elected Calmell del Solar as a consensus candidate. The national directorate was formed with members of the two tickets that registered for the internal elections.

The incidents that preceded the directorate's renewal began yesterday when the congress that was called to introduce reforms into the bylaws failed.

The congress on bylaws, which was called for 29 September, was—unusually—extended through yesterday when the congress to elect the new directorate was scheduled to begin. This situation created an internal controversy over the overlapping of two party events. This overlap, obviously, disturbed the spirit of the party members, prompting the squabbles that caused the failure of the important AP congresses.

Although the continuation of the congress on bylaws was held successfully without major discussions, severe disagreement was raised by the congress position on electing the new directorate. Congressional authorities were accused of being partial in their decisions on drawing up of the registry with the names of those entitled to vote. [passage omitted]

Army Patrol Kills 30 Terrorists, Injures 17

PY0910223190 Lima Television Peruana in Spanish 1800 GMT 9 Oct 90

[Text] The Shining Path has suffered another hard blow. An Army patrol has killed 30 subversives and injured another 17 at the Caimito settlement in San Martin Department. There were no Army personnel casualties.

During the operation, the military also released 15 youths who had been forced to enroll as members of the Shining Path Guerrilla Group.

Uruguay

Lacalle Returns Home, Comments on Debt Proposals

PY0610230890 Madrid EFE in Spanish 0742 GMT 5 Oct 90

[Text] Montevideo, 4 Oct (EFE)—Uruguayan President Luis Alberto Lacalle today explained the three alternatives submitted by his government to the international financial organizations to resolve the Uruguayan foreign debt issue with private banks. That debt amounts to some $1.5 billion.

Lacalle returned today to Montevideo from New York, where he attended the UN-sponsored summit for children. He also met with U.S. President Bush and with representatives of creditor banks.

Lacalle said in a news conference that Uruguay would like to repurchase as much of its foreign debt as possible on the secondary market, to exchange the foreign-debt notes for investment bonds, or to obtain new credits under better conditions to promote the country's economic development.

He personally noted his "strong determination to repurchase as much as possible; there are banks that agree with this position, while others do not accept it."

The Uruguayan debt to private banks is currently forcing the country to make a major annual transferals of resources to pay the interest, which is estimated at $160 million.

Among the South American countries, Uruguay has the best record of honoring its foreign debt obligations, but its status as a good payer has caused it a series of problems.

According to a report the economy minister sent to Congress, the Uruguayan debt to the members of the banks committee amounts to some $1.44 billion, which is equivalent to 45 percent of its nominal value.

The report that was submitted in April states that creditor banks are in no hurry to renegotiate the Uruguayan foreign debt because they punctually receive some $400,000 a day in interest payments.

The Uruguayan gross foreign debt amounts to $6.718 billion, of which $4.328 billion belongs to the public sector and some $2.389 to the private sector.

The net foreign debt of the public sector stands at $2.369 billion and that of the private sector amounts to $2.369 billion. [figures as received]

According to official reports, the major percentage of the debt still to be paid by Uruguay to international financial organizations stems from low-interest credits, which will not hinder the country's future development.

President on Plan To Reform Political System

PY0510152890 Montevideo Radio El Espectador Network in Spanish 1100 GMT 5 Oct 90

[Excerpt] In the last few hours, President of the Republic Luis Alberto Lacalle announced that one of his plans for the next year is implemention of a reform of the Uruguayan political system. The president said that to make this reform possible, a consensus of the national majorities must be achieved. Lacalle made these comments in answering questions from an international press agency. Regarding (?state reform), a series of unique political meetings has been held in the last few days with the objective of holding a broad national debate while the debate to be held at Congress is being prepared.

Within the framework of the social debate, businessmen and labor union leaders are holding meetings in various (?stages) to achieve a real exchange of viewpoints, the president said. Lacalle then continued talking about the PIT-CNT [Interunion Workers Plenum-National Convention of Workers]. [Words indistinct] the workers organization is against the proposal. The president said that several union leaders act without the scheme of the [words indistinct] [passage omitted]

Gros Espiell Delivers Speech to United Nations

PY0510173590 Buenos Aires DYN in Spanish 1110 GMT 5 Oct 90

[Text] United Nations, 5 Oct (REUTERS)— In light of the serious affect of increased oil prices and the reduction in revenue from the raw materials it produces, Uruguay today asked the nations of the world for a new international economic order.

Speaking to the UN General Assembly, Foreign Minister Hector Gros Espiell said: "We are not asking for favors. The developing countries are not forming a group of beggars nor are we asking for charity. We merely require access to the markets for our products, fair prices, technological cooperation, and investments under fair conditions."

"The world wants the industrialized countries to change their attitude, considering the prevailing international economic order," Gros Espiell added.

The foreign minister added that Uruguay is making serious economic adjustments and growth efforts. But on top of the increased prices of crude oil and the decline in the prices it receives for its export products, there are the trade barriers imposed by the industrialized countries.

"The effort by Uruguay will be in vain if the international economic situation is not changed," Gros Espiell said.

The foreign minister dedicated a good portion of his speech to harshly criticizing Iraq, whose invasion of Kuwait two months ago prompted a huge increase in the international price of oil.

"Iraqi aggression has produced chaos in the world economy, especially through the increase in the price of oil and has prompted a general crisis of extremely serious consequences for the entire international community, particularly for nonproductive countries," Gros Espiell said.

"Instead of demonstrating solidarity, the industrialized countries continue their protectionist practices, blocking the entry of products from less powerful countries," the foreign minister said.

The international community should reverse this trend and try to close the gap between the opulent world and the developing world.

"True peace is not possible in an economically split world. This is the truth and no one can deny it," Gros Espiell emphasized.

Gros Espiell on Middle East Situation

PY0910172590 Montevideo EL DIA in Spanish 23 Sep 90 p 10

[Report on interview with Minister Hector Gros Espiell by Gerardo Bleir in Montevideo on 16 September]

[Text] [Gros Espiell] First, there are the losses that have resulted from the spectacular increase in the price of oil following the Persian Gulf conflict. This has had a very negative effect on the Uruguayan economy, and fuel prices have had to be increased to confront the situation.

This impact would have been worse had we not implemented tax measures without delay. Everything indicates that the price of oil may drop if the Persian Gulf conflict is solved, but no rational or reliable prediction can be made at this time about the next stages in this conflict.

[Bleir] But a supposition can be made....

[Gros Espiell] Right. The current stand-off situation may be maintained with a radicalization of economic measures, an embargo, and a blockade by the United Nations. It is likely that the price of oil will not drop; however, the conflict may also explode, and the price of oil could go even higher.

[Bleir] Has the Uruguayan Government analyzed the repercussions of a possible armed conflict on the national economy?

[Gros Espiell] We have not finished discussing the oil problem and the subsequent price increases which may affect us even more. If a war breaks out, what other factors may be let loose besides the oil problem? I don't know. Perhaps it will increase Uruguayan exports. We know that our wool reached record prices in the last economic "boom" during the Korean war in 1951. Wool today is Uruguay's main export product, but it has a very low price. It is feasible that there might be an armed conflict, that the consumption of wool might rise, that there might be a need to stockpile it, and that consequently the price of wool might go up—and this might also apply to meat prices.

[Bleir] If there is an armed conflict, what other economic losses could we experience?

[Gros Espiell] The conflict has already lost us the Iraqi market, which was not very important until this past June when a 20,000-ton contract [product not specified] was being negotiated, with prospects that it could be increased. We had an added advantage in that the trade balance with Iraq was altogether positive because we did not buy anything from them.

A dragging conflict, even if a war does not break out, will keep an important market closed to us. If an armed conflict breaks out in the Middle East we must consider that Iran—which borders Iraq—is an important market for Uruguayan meat and that there are big plans to sell it butter and rice. Furthermore, Iran sells us oil. We should also not forget that Israel is a very important, stable, and traditional market for Uruguayan meat. This is a constant and firm market that may be disturbed. A market was about to be opened in Saudi Arabia, where we are thinking of opening an embassy. There are plans to export live sheep, which is very interesting because we are overstocked. Saudi Arabia has made the first purchases, and the prospects are very good. Lastly, Egypt has been an important importer of Uruguayan products. This means that the Middle East market is essentially beneficial for Uruguay. For 30 or 40 years Uruguayan exports were mainly directed at West Europe, but our foreign trade is now more diversified and has witnessed spectacular growth in the countries within the conflict area. This explains the concern of all public and private sectors about solving this conflict, both for the sake of maintaining peace and security, and for the sake of our economic interests.

[Bleir] Minister, how do you assess the policy of the United States and its allies toward the Middle East?

[Gros Espiell] I do not have the slightest doubt that the Iraqi aggression had to be confronted with energy and without hesitation. One of the most precious advancements of contemporary international law is the proscription of the use of force in international relations and the condemnation of aggression. The Iraqi attack on Kuwait was an example of the unlawful use of force. The attack violated international principles and the U.N. Charter. The energetic reaction of the international community was indispensable. I had not the slightest doubt right from the start. I talked with the president of the Republic and we expressed that position officially. Now, the United States acted not only in support of the U.N. policy but also in support of Saudi Arabia's right to legitimate self-defense against aggression or the threat of aggression—a right to which all states are entitled. Saudi Arabia and the United Arab Emirates requested cooperation from the United States and other powers; in response to that request, U.S. troops were deployed in Saudi Arabia. It is fundamental that this individual and collective action be brought into line with the resolutions of the U.N. Security Council.

[Bleir] Mr. Minister, considering the influence that the United States has in the U.S. Security Council and taking into account the enormous concentration of forces that already exceeds the level required by a defensive force...

[Gros Espiell] The Uruguayan view is that all diplomatic and negotiation attempts must be exhausted before force is applied. There must be unwavering firmness in condemning aggression and applying measures that exclude the use of force, but preparations must be made to use force as a last resort, if necessary. The violation of principles of international law cannot not be tolerated. Annexation is the law of the jungle that seeks to end the peaceful international community that is ruled by the laws upon which we want to build.

During the interview, Minister Gros Espiell said that the incorporation of Uruguay into a common market with Brazil, Argentina, Paraguay, and eventually Chile, "calls for an industrial reconversion, a mental readjustment, and an overall change in the country."

Before referring to the integration process, Gros expressed his opinion on U.S. President Bush's so-called Initiative for the Americas. Gros said that he considers it "an extremely important proposal because it combines the three variables that were originally identified" by the United States: "Investment, trade, and foreign debt." He asserted: "There is no possibility that we can effectively develop if any of these three pillars is missing."

Gros said that his opinion on the initiative is based on the public announcements made by President Bush, who recently presented a draft of the bill on the Initiative for the Americas to the U.S. Congress.

[Gros Espiell] I still have not read the document presented to Congress. I will answer questions based only on the text of the Initiative for the Americas, which preceded the full text that was recently presented by Bush. The document is very significant regarding the decision to promote the economic integration process. Apparently, at the end of this century there will be huge economic spaces. In this sense, Bush's initiative foresees a large economic space, a huge free-trade zone covering our continent from Canada to South America. This is an extraordinarily interesting perspective.

[Bleir] In concrete terms, however, what are the real perspectives for its implementation?

[Gros Espiell] Well, we will soon see how the free-trade zone, in which the United States will be included, will be implemented. Canada and the United States are already linked by a similar treaty, and a treaty linking the United States and Mexico is now being negotiated. A treaty that Argentina, Brazil, and Uruguay will sign with the United States is being studied. It is a difficult process, and we still do not know whether it will become a multilateral agreement or a group of bilateral or subregional treaties. In my opinion, however, the common market is the most important point because it will take less time to implement than the free-trade zone. We cannot forget that the treaty we signed with Brazil covers the period until the end of 1995. Within the framework of the free-trade zone, Bush's initiative is important because it supports the most energetic subregional integration processes. The ALADI [Latin American Integration Association] is the aspect that interests us most. The idea of creating a common market among Argentina, Brazil, Paraguay, and eventually Chile does not clash with the ideals of the ALADI. A common market—and I emphasize the term common market because it is often confused with a free-trade zone—is a much more intense and radical process because it calls for the coordination of economic and macroeconomic policies, not just the elimination of internal customs tariffs but the elimination of external common tariffs and a common export policy. A common market, which will probably co-exist with the Andean Pact, is a great challenge.

[Bleir] Don't you think Uruguay should now create an interdisciplinary and multiparty committee to study the process of incorporating Uruguay into the common market?

[Gros Espiell] This has already been done. From the political viewpoint there is an extremely broad national consensus. I would not say unanimity, but the consensus is very broad. Incorporating Uruguay into this common market is not an option; it is an inescapable necessity. It is a historical demand and a challenge that we cannot refuse. Nevertheless, the implementation of such a market is extremely complicated, and this is why the government has already adopted the necessary measures to establish several work groups that will study all aspects and consequences of integration. They will study the economic, commercial, and social aspects because such integration calls for an industrial reconversion and a mental readjustment. In other words, it will represent a fundamental change in the country.

The integration study being carried out by Uruguay is not just an evaluation of political and technical matters, it also involves the full participation of the private sector and the university economic schools. It is an overall study of the Uruguayan situation in which all sectors must participate; public and private, both political and nonpolitical. This study will be integrated with the reports already made at the international level. Representatives from Argentina, Brazil, Paraguay, and Uruguay met last week in Buenos Aires to prepare the timetable and the technical studies to be made from the legal and economic standpoint for the creation of the common market.

[Bleir] Will Uruguay seek special treatment in the negotiations?

[Gros Espiell] Logically, Uruguay will struggle for recognition for the different economic levels and subsequently seek ways to safeguard its interests. Equality does not mean equal treatment for unequal situations; it means special treatment for unequal situations in the search for equality.

[Bleir] When will the common market become operational?

[Gros Espiell] It is expected that the Southern Cone Common Market will become operational on 31 December 1994. We will have four years of very intensive activity.

[Bleir] You recently held a meeting with President Lacalle, Defense Minister Mariano Brito, and Interior Minister Juan Andres Ramirez to study the situation created by the charges made at the international level by the mother of teacher Elena Quinteros, who is missing. What was the conclusion of the meeting?

[Gros Espiell] I cannot deny that a meeting was held, but I cannot give you any details. All I can say is that this issue was fully discussed. Elena Quinteros' mother was in Geneva for the meeting of the Subcommittee for the Prevention of Discrimination and the Protection of Minorities, which also studies cases of missing persons.

There is a United Nations group that studies cases of missing persons, and this problem will be resubmitted for study.

I do not believe that Uruguay's international image will be tarnished because we are a democratic country where human rights are fully respected. I refer to democratic Uruguay since 1 March 1985. No sincere person can put this in doubt. I believe that no one can say that the government of President Lacalle or of former President Sanguinetti violated human rights. The two governments were based on respect for human rights. The right to investigate falls within the framework of the Law of Expiration, which was approved by a democratic Congress and declared constitutional by the Supreme Court—especially by the people who ratified it in a plebiscite. What I am saying is that investigations into this case were made and will be made again in accordance with the law.

[Bleir] Are there any other legal documents on this case like the one prepared by the Foreign Ministry?

[Gros Espiell] The only document to which I can refer is that prepared by the Foreign Ministry in compliance with Article 4 of the Law of Expiration. It relates to the state's right to punish, and I can say that it was carefully prepared.

I do not know if there are similar documents related to the investigation into this case in the Interior and Defense Ministries.

[Bleir] Was the Quinteros case definitely discussed then?

[Gros Espiell] Yes, it was.

[Bleir] You are a candidate for the International Court of Justice. Will you resign as minister if your are elected to that court?

[Gros Espiell] I am a candidate. There is a vacancy for Latin America, and there are two candidates, Andres Aguilar of Venezuela and myself.

When the president honored me with this ministerial position he knew that if I become elected to that court I would leave the ministry because my new position would be incompatible with the ministerial position. So far this is only a possibility, and I cannot say what are my chances of being elected because an election is an election. I have wide support, but so does the Venezuelan candidate.

Minister Says Army Can Maintain Services

PY0810165290 Montevideo BUSQUEDA in Spanish 27 Sep-3 Oct 90 p 1

[Text] Defense Minister Mariano Brito told BUSQUEDA that the executive branch believes that legislative authorization is not necessary to order the Army to maintain the essential services affected by strikes.

Brito said that there are currently no plans regarding this because there are no extremely serious conflicts. He added that the "current events are considered normal."

Brito included in the budget bill related to the Armed Forces a description of Army functions such as the task of sharing "responsibility for maintaining public order and essential services when ordered by the executive branch."

Brito explained that the enforcement of public order is the responsibility of the police and that the Armed Forces can only act in extreme situations.

Regarding essential services, Brito recalled the UTE [State Electric Power and Telephones] strike in 1963 when the "country was left without electricity overnight." He said that a similar situation "could disturb public order so seriously that the police might be overwhelmed."

He said that "there is no need for a security measure" to declare any service in emergency. He added that the government does not need legislative approval to declare an emergency.

Minister on Armed Forces Role

PY0810174890 Montevideo EL DIA in Spanish 28 Sep 90 p 6

[Text] When National Defense Minister Mariano Brito was asked yesterday whether the Armed Forces would intervene in case of a social conflict, he answered: "The Armed Forces have nothing to do in that case."

After leaving the Chamber of Deputies following a meeting with the Budget Committee, the minister spoke with the media and said that "normally, social conflicts are under the jurisdiction of the police."

"The Armed Forces are for extreme situations of conflict," and "there are no conflicts in Uruguay right now," he said. The minister said that if he were asked if the Armed Forces would intervene now, he would answer: "Not under the current circumstances because it is not their duty."

When a journalist asked the minister if he could assert that within the framework of the Constitution and democracy the Armed Forces would not intervene in any case, he said: "I did not say that."

"The Armed Forces duties are described by the constitutional and legal system," the minister said, adding that "the legal system says that they must intervene in extraordinary situations."

"Our current circumstances are an ordinary conflict situation; therefore, they will not intervene," the defense minister said. Regarding the Armed Forces intervention in essential services, he said that the case would "not necessarily" require it. "In the case of essential services, the conditions of their interruption are described by Law

No. 13720 of 1968, which outlines the interruption of services the executive branch considers essential," the minister said.

"Such a possibility does not necessarily mean that the Defense Ministry should intervene," he stated.

Brito also said that his ministry continues to study the cases of military officers removed from their services during the de facto administration. "The moment will come when we will evaluate criteria for compensation," he said. The Defense Ministry has formed a working group to study the cases from the legal point of view, he added.

The minister also confirmed what he had announced in his previous meeting with the Budget Committee regarding the elimination of 6,405 vacant posts in the Armed Forces.

Mexican President Arrives for 18-Hour Visit

PY0910010690 Madrid EFE in Spanish 2109 GMT 8 Oct 90

[Excerpt] Montevideo, 8 Oct (EFE)—Mexican President Carlos Salinas de Gortari arrived today in Montevideo for an 18-hour visit during which he will sign several agreements with his Uruguayan colleague, Luis Alberto Lacalle.

Salinas' visit to Uruguay is part of a tour that includes Argentina, Bolivia, Brazil, Honduras, and Venezuela. [passage omitted]

Presidents Sign Agreements

PY0910212990 Montevideo Radio El Espectador Network in Spanish 1600 GMT 9 Oct 90

[Report by (Alberto Faccari) from Government House]

[Excerpts] Uruguayan President Luis Alberto Lacalle and Mexican President Carlos Salinas de Gortari have expressed their agreement with the UN resolutions regarding the Persian Gulf crisis, the strengthening of regional integration, and the implementation of the strategy for state modernization.

During the Mexican president's visit, several agreements on bilateral cooperation have been signed, including one on scientific and technological cooperation. The two presidents have also agreed on the organization of one seminar on mixed investments and another on intensification of exports. Both seminars will be held next year. The presidents have also analyzed the project for the export Uruguayan-made boats for shrimp fishing, seeking to complete the project in the shortest possible period of time.

Evaluating the agreements signed between the two countries, Foreign Minister Hector Gros Espiell this morning deemed very positive the meetings held by the two presidents. Minister Gros Espiell also commented on the Rio Group meeting, which is due to start in Caracas on 11 October and will be attended by President Lacalle. [passage omitted]

President Carlos Salinas de Gortari has signed several agreements, including one on cooperation in oil prospecting and production. The Mexican president also said that his country is opening its doors to Latin American products [passage omitted]

President Salinas de Gortari spoke of the talks he held with President Lacalle:

[Begin Salinas recording] President Lacalle received us in a very cordial manner. Beside his political skill he has a positive attitude [words indistinct]. I am very enthusiastic about this visit which will yield very positive results. [passage omitted] [end recording]

Communist Congress Opens, Committees Installed

PY0610142090 Montevideo Radio El Espectador Network in Spanish 1100 GMT 6 Oct 90

[Text] Sessions of the 22d Congress of the Uruguayan Communist Party continue today, and the working committees have been appointed and installed.

The congress was opened with a ceremony at Penarol Palace. On the occasion, Jaime Perez, secretary general of the Uruguayan Communist Party, presented a renewal proposal that was unanimously approved by the Central Committee.

In his speech, Perez admitted that there are elements of [word indistinct], but added that, whenever necessary, the party unites and acts.

Perez supported public debates as a characteristic of a democratic party and said the talks being sponsored by the PIT-CNT [Interunion Workers Plenum - National Convention of Workers] do not lead to a [words indistinct] pact.

Unitas Maneuvers To Be Held on 9 October

PY0810161690 Madrid EFE in Spanish 1839 GMT 9 Oct 90

[Excerpts] Montevideo, 6 Oct (EFE)—U.S. and Uruguayan Navy personnel will participate in the 31st Unitas maneuvers to be conducted in the Uruguayan territorial waters and along the coast.

The time the naval exercises that are carried out every year will include joint operations with navies from nine South American countries, among them Argentina and Brazil, and visits to seven other South American countries. [passage omitted]

The Unitas maneuvers were approved by the Uruguayan congress. The leftist Broad Front coalition, the social democratic New Sector coalition, and a deputy of the ruling National Party voted against participating in the exercises.

Perez Addresses Regional, Domestic Issues

PA0710034890 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 6 Oct 90

[News conference by President Carlos Andres Perez with foreign and domestic reporters at the Miraflores Palace in Caracas on 5 October; questioners identified by screen caption—recorded]

[Excerpts] [Perez] Journalists, it is my great pleasure to meet with you upon my return from the United States where I attended two important events: the first world summit on children and the 45th UN General Assembly [UNGA] session. This was the first UNGA meeting held since the East - West detente was reached. Unfortunately, it is also the first meeting since the start of a great regional crisis that is not related to the East - West struggle. Of course, your questions are more important than my impressions on my visit because they will cover the topics that interest the Venezuelan public the most.

I must say that the world summit on children was an historic event. For the first time, more than 70 heads of state from all continents met in New York to discuss the problems affecting the world's children in the developed and the developing countries. A statement was drafted, and the imposing framework in which it was made constitute a world event that is very significant for the future of mankind because we are dealing with our children's future. It was announced that to faithfully comply with the convention of the children's rights approved by the United Nations and ratified by the majority of the UN member countries in 1990, Venezuela will convene a congress on children and on the application of the Human Rights Convention. It will be held on 29 August 1991, on the first anniversary of the promulgation enacting the agreement on children's rights. Next week, I will designate the members of a comprehensive commission formed by both government and private agencies dealing with children's problems. The commission will organize this great conference, which I also expect to be attended by foreign personalities, that will examine the situation of children in Venezuela and our compliance with the convention we signed with the other UN member countries.

The UNGA session was very significant because of the presence of so many heads of state in New York, and because we are confronting a serious regional crisis in the Middle East in the wake of Iraqi invasion and annexation of Kuwait. This has become a large - scale international problem. At the assembly, I had the opportunity to talk privately with the U.S. President; the Soviet foreign minister; presidents of European, Asian, and African countries; the UN Secretary General; and other personalities. I also had the chance to outline in a speech, given at the beginning of the assembly on 1 October, Venezuela's position on the international situation. The speech was widely accepted at home. Before commenting on this speech, however, I would rather wait for your reactions and your questions on he subject.

[Jose Lossada Rondon, EL UNIVERSAL] Let me congratulate you on your work in New York and on your extraordinary speech before the United Nations. I have two questions: What did you tell the Soviet Foreign Minister about Fidel Castro and, as you are a well-informed man, what can you tell us about the current Persian Gulf situation?

[Perez] These are difficult questions to answer. My talks with Foreign Minister Shevardnadze—our third or fourth talks since I took office—were very important because I was able to get a very clear view of the USSR's perception of the international situation. By the way, Shevardnadze's UN speech had a great impact because it was very frank and direct and gave us a clear outlook on the new paths the USSR has taken in the wake of perestroyka and glasnost. We discussed many issues, and since I am a Latin American president, we especially discussed Cuba. The talks were private. All I can tell you is that he and I expressed our concern over the course of events in Cuba, within the context of the new world and the regional situation.

Regarding the Persian Gulf conflict, this major event was discussed by President Bush on down to the last delegate to the 45th General Assembly. I believe that absolutely all countries are profoundly concerned about this crisis and right now no one dares guess what the outcome might be. Of course, there is a deep concern, but there is also a strong belief that all the possibilities for a peaceful solution must be explored. The world leaders said this in their UN speeches and in private. For the time being, however, no one dares to guess what the solution should be. All leaders believe that this crisis will have a great impact on the world economy and that the root of the problem is oil. I delivered my speech from this point of view.

My UN proposal for a meeting between oil producing and consuming countries caused much interest and was almost unanimously approved. President Bush personally expressed his support for this proposal, as did Foreign Minister Shevardnadze, Latin American leaders, and other world leaders. Regarding the possibility of a meeting between OPEC and the International Energy Agency [IEA]—as you know, the IEA is made up of the world's 20 most important consumers and was created to offset OPEC. Thus, the proposal for these two organizations to meet for the first time caused much commotion and positive reactions. We already have official reactions from the OPEC's general secretary and IEA officials, saying they have taken note of the Venezuelan proposal and are looking forward to a meeting soon. This meeting is meant to prevent speculative oil price hikes. We cannot understand—and neither can other OPEC leaders—why oil prices have reached their current level despite OPEC's efforts to supply additional oil to the international market. Someone is hoarding; someone wants to play dangerously with oil prices. This makes this meeting between OPEC and the IEA all the

more necessary. A supervisory committee could even be established to track oil and determine who may be hoarding.

[Alberto Garnica, UPI] At your last Rio Group meeting in Ica, Peru, it was agreed to hold a dialogue with the United States to seek opportunities for broader and fairer cooperation. Will George Bush's Initiative for the Americas be analyzed in this spirit at the upcoming meeting? What are Venezuela's expectations regarding Bush's initiative?

[Perez] That is a very important question. We cannot forget that on 11 October, the Rio Group meets here in Caracas. This group is now made up of nine countries because, as a host country, it was my turn to invite Ecuadoran President Rodrigo Borja and Chilean President Aylwin to attend this Rio Group summit, just as the member countries had agreed on in New York.

One of the most important and necessary topics to be discussed at that meeting will be President Bush's Initiative for the Americas. I referred to that subject in my speech at the United Nations. I can tell you right now that there is a collective spirit to give this proposal all the importance and significance it deserves. At the same time, all the contries in the region want to give this initiative a Latin American framework by establishing criteria that will reflect the interest or interests of all Latin American countries. Of course, this will be based on aspects that may emerge in talks to be held at a subregional or even bilateral level between Latin American countries and the U.S. Government.

Another important initiative came through in New York. The presidents of Mexico, Colombia, and Venezuela met and issued a communique, which I believe was published in the newspapers here in Caracas. The communique said that we agreed to conduct an in-depth study of President Bush's initiative for the Americas and issue a collective reply from the three countries.

We also agreed to make immediate decisions to broaden interregional relations between Mexico, Colombia, and Venezuela. We have even thought of conducting studies to evaluate our countries' oil potential and the possibility of making an interconnection of the Venezuelan, Colombian, and Mexican oil systems that would also involve Central America. In order to conduct these studies, we would request credit from the Inter-American Development Bank.

It was also agreed to continue the meeting initiated by the Group of Three in New York during the meeting of the Group of Rio in Caracas. This means that the Bush initiative has awakened a clear and frank Latin American sentiment that is very specific in the sense that in order to give a proper answer to and take advantage of the U.S. proposal, we must intensify interregional relations. Of course, just as the Group of Three has included Central America in its objectives, we will also discuss the need to strengthen ties and relations with Caricom [Caribbean Common Market], in other words, with the Caribbean countries. This was another important initiative resulting from the meeting in New York on the occasion of the world summit on children and the 45th UNGA session. [passage omitted]

[Esteban Engel, DPA] You have already mentioned the Bush initiative as one of the priority topics to be discussed during the Group of Rio meeting scheduled for next week. I want to know what Venezuela's priorities are for this meeting? Also, regarding the current world situation, will the Persian Gulf conflict play a role in the meeting, bearing in mind that one of the participants in the group's session—Argentina—is actively participating in the conflict, thus countering what Venezuela advocates, meaning an Arab solution to the confrontation?

[Perez] First of all, starting with the last question, Venezuela—like all countries—has said that the Arabs have a lot to say in this conflict and that we should encourage them. However, we sponsor and fully agree with the decisions and resolutions issued by the UN. We fully agree with a solution to the Middle East conflict within the framework established by the UN resolutions. This is the important thing.

In addition, we have seen the presence of foreign troops in the Gulf to guarantee the enforcement of embargo against Iraq. We do not think this concerns us, and we have not thought about sending troops to the Gulf. However, we certainly respect and understand what other countries have done. Therefore, there is no contradiction here.

The priority for the Rio Group is to continue to be a voice or interpreter of Latin America's feelings and integrationist will. Our relations fall within this context. Of course, since it is basically a political organization, the Persian Gulf conflict—the importance it has for our region, the dramatic situation it has caused in the region due to energy problems, and the problems it has caused in the world oil market—will undoubtedly be a topic that we will have to discuss at the Rio Group meeting.

[Alba Sanchez, EL NACIONAL] Mr. president, regarding your proposal for a meeting between IEA and OPEC, when do you think that so many countries could reach an agreement to hold such an important meeting? You proposed a meeting of OPEC leaders and presidents some time ago, but it was never held. Now that it will involve producers and consumers, when do you think it be held, given that the market situation is constantly changing? The other question refers to another proposal you made calling for a 10 percent reduction in the purchases of weapons so that this percentage may benefit the children. Do you intend to reduce the defense ministry's budget next year to use for some national program?

[Perez] As for the first question, if the OPEC leaders' summit had been held, perhaps the conflict we are currently facing might not have occurred. Unfortunately, my efforts to hold the meeting have failed. Today we see

how important the meeting would have been if we had been able to hold it. However, we must not compare one thing with the other.

The producer and consumer countries' interest in the dangerous and dramatic crisis that might occur in the oil market heightens everyone's interest in holding the meeting. This is not a summit but a meeting between oil producer and consumer countries.

I said that the first meeting, since it is the easiest one, should be held between two organizations: OPEC and IEA. OPEC is comprised of 13 countries and IEA is comprised of 20 countries, which are properly structured as organizations. The OPEC secretary general, Mr. Subroto, has already endorsed my proposal at the UN, and we understand that the IEA has included the discussion of the proposal on its agenda.

I believe that if this is going to be done, it should be done right now because the idea is to create....[corrects himself] to discuss mechanisms that will allow us to maintain a balance in the world oil market. I believe that producer and consumer countries are interested in this.

On the other hand, I would say that this is a revolutionary proposal because no one would have thought about proposing a meeting between IEA and OPEC until a short while ago; they appeared as two organizations with opposing interests. However, given the threat facing mankind because of the Middle East crisis, and the fate of the world oil market, it seems that this is the opportunity to carry out a Pereztroyka—a Perestroyka with a z. [Perez laughs]

I have issued a proposal that I sincerely believe in. The nations of the world are spending an enormous amount on weapons and armed forces and I have proposed two things in one proposal. I have proposed that 10 percent of the reduction in the manufacture of weapons, once the East-West confrontation ends, be used in a social program for children. I have also proposed that all world nations reduce their defense budgets by 10 percent. This, of course, should be 10 percent of what is considered a defense budget, which includes what all the countries spend. One cannot think—and that is what usually upsets everything—that some countries will reduce their defense budgets while others will fail to do so, or actually increase their budgets. Our goal is undoubtedly to make a sizeable reduction in defense expenditures, and we have already started to do this with the 1991 budget.

[Victor Glova, TASS] I would like to ask several questions. First, what is your opinion—in general—about the results of your interview with the Soviet foreign minister in New York? What is your opinion about Germany's reunification? Keeping in mind the New York meeting of the Group of Eight ministers with East European countries, what is your view about the results of this meeting and its impact on relations between Europe and Latin America? The last question: What do you expect from the meeting that the Group of Eight representatives will soon hold in Caracas?

[Perez] Well, first of all, I believe that Foreign Minister Shevardnadze made a historical impact with his presence and his speech at the United Nations a few days ago; I said this in my address to UNGA. My talks with him were extraordinarily important because they allowed me to look at the world situation from the Soviet Union's perspective. I was able to ascertain the Soviet Union's interest in its relations with Latin America and Third World countries—to the extent that we talked about the Soviet Union's interest in OPEC and the possibility of its joining this organization in some way.

Germany's reunification is a tremendously important historic event and a great lesson for mankind. It is in harmony with the new world that is being forged for peace and understanding. All the countries welcomed this event at the United Nations, and that is why I dedicated a paragraph of my speech to Germany's reunification. We no longer have to see this reunification in terms of a war; the most important thing is precisely the attitude assumed by the Soviet Union. If the old strategic concepts had prevailed, it would have assumed a different position. However, the Soviet Union gave its wholehearted support to Germany's reunification.

Undoubtedly, the EEC and the opening of East Europe are highly significant for Latin American countries. Hence, the Rio Group foreign ministers' meeting with the Eastern Europe group. We predict that important projects will be discussed. For example, we have already discussed the possibility that Venezuelan Petroleum, Inc. might enter a joint venture with Czechoslovakia to refine Venezuelan oil in a Czech refinery.

We not only held interesting talks with the president of Czechoslovakia. We also held talks with the president of Poland and the president of Czechoslovakia....[corrects himself] with the president of Romania along these same lines—to encourage relations between Venezuela and Latin America and the East European nations.

Like I said, the Group of Eight is essentially a political group that will try to reach a consensus and act within a coherent framework at the international level, while firmly contributing to establishing the groundwork for Latin America's integration. That is why we will have to carefully analyze the Bush initiative. We must first think about strengthening interregional ties among all the countries in the region before implementing the Bush initiative.

[Luis Cordoba, of Interpress Service] Both Uruguay and Argentina have openly voiced their support for turning the Group of Eight into an organization similar to the Latin American Integration Association [ALADI]. This would require the participation of Bolivia and Paraguay; in other words, the same eleven members of ALADI would be the members of the RIO Group. Would Venezuela support the entrance of Bolivia and Paraguay? If this occurred, would this basically mean the transformation of a mechanism that emerged at the end of 1986 as an instrument of consultation and coordination? I would

also like to know, in addition to what the governments may want to discuss at the meeting of the Group of Rio, what should Latin Americans expect from a meeting of that nature now that we are only 10 years from the year 2000?

[Perez] Well, the observation made by the IPS journalist is very important. Frankly, we cannot rule out the possibility that the Rio Group could become ALADI's political apparatus. This possibility cannot be dismissed. The possibility of Bolivia's entrance, which was requested directly by that country, has not been rejected. It was agreed to discuss the matter here at the Caracas meeting. Therefore, Bolivia's entrance is a real possibility. Of course, this would mean that we would also have to review Paraguay's position. I would not say that what the journalist has just said is impossible. On the contrary, it is quite possible that the subject may be discussed. However, the subject has not yet been officially discussed by the Rio Group. This does not mean that this group will not continue to be a body for consultation and coordination. This will also make it necessary for us to link this situation with the Central American Common Market and Caricom. These are questions that arise amid a situation that has just begun regarding the integration of Latin American countries and the establishment of institutional means for consultation and coordination among the various subregions in which Latin America is divided, both inland and in the Caribbean islands.

Therefore, I fully agree with your observation. I also think that this will undoubtedly be a topic of discussion at the meeting in Caracas on 11 October. What does the common Venezuelan and the common Latin American citizen expect from us? They want us to finally turn Latin American integration, which has only been rhetoric thus far, into a reality. The people's expectations, which until recently have been very low, are being met. For example, Argentina, Chile, and Brazil have begun to carry out direct actions for Latin American unity. They have begun leading their economies in that direction. The Andean Pact has started to develop programs to eliminate custom tariff barriers. Venezuela, Mexico, and Colombia are preparing to implement a subregional integration program. That is what an average Venezuelan or Latin America citizen expects from us, the current Latin American presidents. They want us to make Latin American integration a reality. Therefore, the Rion Group is an esssential factor because it will be a valid forum for the decisionmaking process and for the study of Latin American integration possibilities and our relations with the rest of the world.

[Luis Alfredo Gomez, Radio Rumbos] Good evening, Mr. President. Some international financial organizations are afraid that Venezuela may lose its head over the additional revenues resulting from the increase in oil prices and will move away from the economic package you have been implementing since you came into office. I would like to know whether, as a result of your talks with the international financial organizations, all those fears have disappeared?

My second question deals with the labor law. If it is true that the new labor law is inflationary and will increase unemployment, I would like to know whether you would be willing to sign a law that will have such serious consequences and whether you would be willing to present a new social benefit law as soon as possible to avoid problems as the private sector is saying?

[Perez] Let me start by answering the second question. I refuse to participate in the controversial discussion you are starting. I believe that as the Venezuelan president, my role is to offer my good offices for an agreement between employers and employees because the future of Venezuelan economy depends on that. However, employers must understand that social laws and social security are always changing. We should make progress in social justice every day. In other words, we should make progress in the process through which we recognize the essential value that manpower has in the production of goods and the world's wealth. This is essential, and it must be taken into account.

Similarly, employees must also make sure they do not kill the goose that lays the golden eggs. We must create a fair relationship in which the workers' well-being should come first, as long as production needs and productivity are not harmed. That is the kind of understanding we must seek.

We should not even think of the possibility of approving a labor law in which employers and employees reach a total understanding. We must understand that the National Congress is responsible for the drafting of the country's laws and that it also protects these kinds of vital understandings in our country. The government—particularly the president— must seek essential agreements, especially those dealing with social conflicts that exist in all democratic societies and that must be solved to benefit the interests of the majority. Workers are interested in protecting production and productivity, otherwise their wages, well-being, and jobs will be affected. Businessmen should provide basic satisfaction for the employees who work in their factories, businesses, and offices, or else they will not obtain the results they are looking for. Thus, we must find a way to harmonize common interests with private interests.

Now for the other matter. I must say that my meetings at the Council of the Americas and a breakfast at Citicorp were, all in all, satisfactory. We had a meeting with the most important U.S. businessmen in different areas at the Council of the Americas. The representatives of the most important businessmen in the United States first met with the Venezuelan president and the ministers that accompanied him. The talks were open and clear, and we were asked a host of questions. I was able to see that, contrary to what happened on previous occasions, the lack of trust and uncertainty no longer exist.

The topics did not concern what may happen in Venezuela. They concerned investments and the great possibilities that the businessmen see for investments in Venezuela. The meeting concluded with a lunch attended by an even larger number of industrialists. At that lunch, my speech took into consideration the topics discussed in the closed-door meeting. I found the most favorable atmosphere we can hope to have in the United States—in its economic and financial relations with Venezuela—in the business and banking sectors. Also, there was the spokesman for the group of banks with whom Venezuela renegotiated its foreign debt, something that is in its final stretch. I spoke very clearly, and the businessmen voiced no doubts about this. I said the oil situation in no way changes the guidelines of our policy to adjust and modernize Venezuela's economy. This is what we have said everywhere, and not just what we have said but what we are doing. I always point out that the Venezuelan crisis did not erupt when the price of oil dropped to nine or $10 a barrel, but when oil was sold at $32 a barrel.

Thus, the price of oil is not to blame for the crisis we are experiencing. To be sure, it tremendously worsened it, but the crisis was brought about by structural causes, the mistakes we committed, and the artificial manner in which we conducted economic activities in Venezuela. There is no doubt about this, and my stance is strong and unequivocal. On the topic of oil, I clearly stated that we do not hope for an abrupt increase in the price of oil; we are worried and horrified about the increase. All this does is warn us that tomorrow the situation will be very serious and difficult. Industrialized nations—the world's biggest oil consumers—will organize austerity programs to lower oil consumption and will replace oil for other less costly fuels. When the Persian Gulf crisis ends, the price of oil will take a nose dive. We do not want that. We do want prices to increase in line with the value such an essential instrument has for the world economy and in line with the development of the world and increased uses for this scarce resource, which mankind will have to rely on for many decades, perhaps for over a century. The oil increase is not to our advantage, and that is why we proposed a meeting of oil consumers and producers to find a balance in the oil market. In the case of a surplus, we already said that we will create a stabilization fund that will prevent a situation like the one that may arise when the Persian Gulf crisis ends. We also have another important priority, namely, to increase our capability to produce oil since we see that we will be facing a market with very limited offers where Venezuela can sell much more oil at good prices without resorting to price speculation. [passage omitted]

Police Presume Missing Aircraft Hijacked

PA0610132190 Paris AFP in Spanish 0446 GM 6 Oct 90

[Text] Caracas, 5 Oct (AFP)—Two light planes disappeared on 5 October in southern Venezuela, near the border with Colombia, authorities have reported in Caracas. The authorities believe that the two passenger planes might have been hijacked by drug traffickers.

The police have reported that the two Cessna 207's belonging to the Aerotaxis airline left at 0740 (1140 GMT) and 0830 (1230 GMT) from the San Fernando de Atabapo Airport, 700 km south of Caracas, for Puerto Ayacucho, 500 km south of the capital, but contact with them was lost at approximately 1030 (1430 GMT).

In addition to the two pilots, ten passengers, three Venezuelans and seven Colombians, were traveling on the airplanes.

The authorities have indicated that there was good weather in the area on 5 October.

In recent years, Colombian drug traffickers have hijacked a dozen Venezuelan Cessna planes.

One Plane Located in Colombia

PA0710042890 Hamburg DPA in Spanish 2020 GMT 6 Oct 90

[Text] Caracas, 6 Oct (DPA) - A police spokesman reported in Caracas that one of the two light planes which had allegedly been hijacked by drug traffickers yesterday, reappeared today on Colombian territory with its passengers in good condition.

The plane, a Cessna 207, appeared today in Barranca de Minas, near the Venezuelan border, with its crew and passengers in good condition.

Orlando Jordan Petit, acting director of the Judicial Technical Police, said that the plane disappeared from radar screen after changing its route due to bad weather, and added that there is still no information regarding the other missing plane and its occupants.

The two twin-engine planes took off yesterday from San Fernando de Atabapo, approximately 700 km south of Caracas, and were headed for the Amazonic town of Puerto Ayacucho with ten passengers on board, three Venezuelans and seven Colombians.

After the disappearance of the planes, it was believed they had been hijacked by drug traffickers and taken to Colombia as has happened several times before.

French Guiana

France Sends Police To Monitor Suriname Border

FL0910125690 Bonaire Trans World Radio in English 1130 GMT 9 Oct 90

[Text] France has sent 100 police to French Guiana to monitor the border with Suriname. Rebels have been fighting a sporadic guerilla war there for about four years. The police are to patrol along the Maroni River that separates the two countries and help administer

refugee camps in the area. Thousands of Surinamese people have fled across the border to escape all the trouble in Suriname.

Meanwhile, rebels of the Jungle Commando under Ronny Brunswijk want to arrange a truce with the Surinamese Army. Afterwards they say, President Rameswak Shankar could announce a peace treaty. The rebel leader Ronny Brunswijk made the suggestions in a letter written to the president which was cosigned by the second in command. He is a man who previously endorsed peace.

Guyana

Police Investigate 'Reported' Coup Plot

FL0510183590 Bridgetown CANA in English 1816 GMT 5 Oct 90

[Text] Georgetown, Guyana, Oct 5, CANA—An ex-Army officer and a senior cop are among a dozen persons being detained here by police investigating a reported plot to overthrow the Guyana Government by force, police officials reported Friday.

The former Army official was identified as one time Second Lieutenant in the Guyana Defence Force, Anand Sanasi. His lawyer, Jainarine Singh Snr., told CANA Sanasi was detained by police Monday. The police are investigating reports that Sanasi, said to be in his late 20's, and a number of other persons were involved in military-type training and other activities at a private logging operation on the Corentyne River, in eastern Guyana. The reported plot to overthrow the government by force is the second to have surfaced in 17 months.

As a result of the first, three activists of the opposition People's Progressive Party (PPP)—Bhoj Pertab Singh, Karran Persaud Deokarran, and Neville Wordsworth—are now before the court charged with treason which is punishable by death. The trial opened here this week before Chief Justice Rudolph Harper and a mixed jury.

Man Accused of Plot Escapes

FL0810221890 Bridgetown CANA in English 2140 GMT 8 Oct 90

[Text] Georgetown, Guyana, Oct 8, CANA—A former Guyana Defence Force (GDF) lieutenant detained here in connection with an alleged plot to overthrow the Guyana Government escaped on Monday, the police reported. A statement from police headquarters said Anand Sanasee [name as received] escaped early Monday from the criminal investigations headquarters, Eve Leary.

A 100,000 dollar (one guy dollar ; 2.2 U.S. cents) reward is being offered for information leading to his recapture.

The police statement advised citizens that Sanasee, 25, is considered dangerous and should not be approached directly. The statement gave no details about the escape.

Up to Monday afternoon, no charges had been laid against any of the other nine people police were holding in connection with the alleged conspiracy to forcefully overthrow the Desmond Hoyte administration. But Crime Chief Cecil "Skip" Roberts told CANA that charges were likely within 24 hours.

The police are still hunting for Mahendra Nauth Gumani, who they say was involved in the plot. Last weekend, the police offered a 100,000 dollar reward for information leading to his arrest.

Six Charged in Conspiracy

FL0910211290 Bridgetown CANA in English 2007 GMT 9 Oct 90

[Report by Courtney Gibson]

[Text] Georgetown, Guyana, Oct 9, CANA—Police on Tuesday charged six persons with treason as they continued investigations into an alleged conspiracy to violently overthrow the Guyana Government, a spokesman said.

Three of the six men—Balram Persaud, a suspended assistant police superintendent; Ramdeo Tootnauth, a warrant officer in the Guyana Defence Force (GDF); and Rabindranauth Singh, a former GDF pay clerk—appeared in court before Chief Magistrate Claudette la Bennett on Tuesday. They arrived and left the court wearing ankle chains and under heavy armed police escort. They were not required to plea to the capital offence which carries the death penalty here.

At the request of the police, Magistrate La Bennett issued arrest warrants for the three others—Anand Sanasee, a former GDF lieutenant who reportedly escaped from police custody early Monday; Feroze, of no fixed place of abode; and Mahendranauth Gomani, a trader. The police had earlier offered 100,000 dollar (one guy dollar;2.2 U.S. cents) rewards for information leading to the capture of Sanasee and Gomani, who were still at large on Tuesday.

The police are alleging that between June and October this year, the six accused formed an intention to overthrow the Guyana Government by force. They are alleging further that in pursuance of that intention, the men conspired with other persons unknown, to train a number of persons in physical and military exercises; provided them with firearms and facilities for training; trained them in the use of firearms; and, caused to be administered to a number of persons, an oath which bound them to secrecy about the intention to overthrow the government by force.

This is Guyana's third treason case in a decade. The first was thrown out by the courts and the second in which three activists of the opposition People's Progressive Party (PPP) were charged, is now up for trial before judge and jury at the current assizes.

Acting Commissioner of Police Laurie Lewis told CANA on Tuesday that investigations were continuing countrywide into the latest alleged conspiracy. Lewis said several people were being questioned while others were stepping forward and volunteering information.

Lewis said an internal investigation was also launched into Sanasee's escape early Monday from criminal investigations headquarters.

PNC Decision Revises Electoral Legislation

FL0810160090 Bridgetown CANA in English 2114 GMT 7 Oct 90

[Report by Courtney Gibson]

[Text] Georgetown, Guyana, Oct 7, CANA—The People's National Congress (PNC) government's decision to return major administrative powers to the elections commission after more than two decades, has done little to convince opposition parties they have a fair chance of winning Guyana's forthcoming elections.

Amid a growing campaign for free and fair elections here, the PNC government effected the move by amending two controversial pieces of electoral legislation—the National Registration Act 1967 and the Representation of the People (Adaptation and Modification of Laws) Act 1968.

The new legislation restored to the elections commission administrative powers taken away some 20 years ago. The commission was also given the authority to order the preparation of the voters list—previously a responsibility of the minister of home affairs. Over the past 22 years, opposition groups have accused the PNC government of using the old legislation to rig successive elections since 1968.

Former Commonwealth Secretary General Sir Shridath Ramphal, who was attorney-general when the legislation was adopted in the sixties, has faced strong opposition criticism for his role in the drafting of the controversial laws. The Working Peoples Alliance (WPA) said Ramphal made "colourable changes" in the legislation ensuring that the elections commission was transformed into "a toothless poodle" serving the interest of the PNC. The opposition contended all along that the legislation had violated the Guyana Constitution, which specifically states that the elections commission "shall exercise general direction and supervision over the registration of electors and the administrative conduct of all elections of members of the National Assembly (Parliament)."

Besides receiving authority to order the preparation of the voters list, the elections commission was given the power under the new legislation to designate buildings where the voters list can be scrutinised by the public. Further, the new legislation provides for an annual revision of the voters list—an exercise last carried out here five years ago—by September 30 each year, starting in 1991. It also specifies that the preliminary voters list for the forthcoming election, due no later than March 31, 1991, should be prepared by November 30—that is, the end of next month.

The main opposition People's Progressive Party (PPP) and the WPA both welcomed the revision of the voters list on an annual basis, but contended this new provision did not adequately cover the forthcoming election. Under such circumstances, PPP parliamentarian Reepu Daman Persaud cited the likelihood of the voters list being heavily padded in favour of the ruling PNC, and called on the elections commission to undertake house to house enumeration of voters.

"The whole electoral process is in serious jeopardy," he said, charging that the whole country "will be left with a PNC list that will be baptised in conformity with the Representation of the Peoples Act."

WPA leader Eusi Kwayana who attempted to block parliamentary debate on the amendment of the two controversial laws, said the new legislation should have included provisions for the use of scrutineers from political parties when the voters list is being compiled.

Attorney-General Keith Massiah said the new laws made adequate provision for ensuring that the voters list represented a true picture of the registered electorate. He also said there were provisions allowing for proper scrutiny of the list and that it was up to political parties to make use of them.

Opposition groups have also called for the appointment of a new chairman to the elections commission, and for ballots to be counted at polling stations.

Massiah, a former chancellor of the judiciary, said he detected "a certain kind of fear (amongst the opposition) that often emanates from guilt."

The new legislation also revokes the right of the minister of home affairs to visit polling stations on election day. It also bars the minister from inviting observers to visit polling stations and places where the ballots are to be counted.

Persaud said the legislation was evidence of guilt on the part of the government which he said had "hijacked the powers of the elections commission." "It is also proof that the opposition which took 20 years to force the government to this position, was right all along. It is not a concession," he said.

Massiah said the major overhaul of the electoral laws was "not any admission on the part of the government that anything was done wrong in the past in relation to elections." Government had done so merely "because there had been so much talk and criticism," he said.

Opposition Alleges Delay in Posting Voters Lists

FL0810163390 Bridgetown CANA in English 1455 GMT 8 Oct 90

[Text] Georgetown, Guyana, Oct 8, CANA—A dispute is brewing over whether Guyana's commissioner of national registration has complied with electoral laws on the posting of the voters lists. While preliminary voters lists for forthcoming general elections have been posted country-wide, the opposition Working People's Alliance (WPA) says lists were available at the Ministry of Home Affairs a day later than they were required to be posted there. The WPA is alleging further that mandatory notices inviting claims and objections and which should have accompanied the lists were not published.

The ministry was one of two locations in the city where it was publicised that the lists would be posted last Thursday. The WPA is also contending that at the second location—the guard hut at the National Registration Centre—only the list for one district had been posted and there was no lighting there so the list could be scrutinised.

State-owned CHRONICLE newspaper reported commissioner of national registration, Ronald Jacobs as saying that he had complied with all the requirements of the National Registration Act. Jacobs said that as a result of directions he received on October 2, 1990, from the chairman of the elections commission, he was required to publish the preliminary voters lists by October 4, 1990, and he met that deadline.

He was reported as saying that the ruling People's National Congress, the WPA, and the People's Progressive Party (PPP) were each supplied with one copy of the the preliminary voters' lists before midnight on October 4, even though the law does not stipulate that they should be provided with copies of the lists.

He reported that a "computer error" had resulted in a "substantial number" of names that should have been removed from the preliminary lists not being removed. The lists will however be corrected and political parties will be provided with the list of names that should have been removed.

Citizens have up to October 15 to make claims for their names to be included on the lists and up to October 19 to record their objections to the lists.

The four-member opposition Patriotic Coalition for Democracy (PCD) says it will meet in emergency session this week to discuss common approaches to the voters lists. The opposition parties are advocating that the voters lists be prepared following a house to house enumeration exercise and not by being extracted from the national register of citizens.

Government Warns IFES Against Party Contact

FL0910170090 Bridgetown CANA in English 1517 GMT 9 Oct 90

[Text] Georgetown, Guyana, Oct 8, CANA—The Guyana Government has warned it will "have to consider aborting the mission" here of two consultants from the International Foundation for Electoral Systems [IFES] if they meet with political parties in the country.

The two consultants who arrived here Monday have been contracted by the United States Government to advise it on providing assistance to Guyana's elections commission for the forthcoming elections. The U.S. administration has offered to provide 693,000 U.S. dollars to assist Guyana's elections commission.

The official Guyana Public Communications Agency (GPCA) said the consultants will be discussing with Guyana's elections commission the kind of assistance needed to strengthen the commission's administrative and logistical capabilities for supervising the elections. The agency quoted an unnamed government spokesman as saying, "The government expects the IFES mission to honour its mandate agreed upon with the Government of Guyana".

"It is the clear understanding of the government that the IFES officials are visiting Guyana to carry out the first stage of their mission, that is, to hold discussions with the elections commission for the purpose of consulting and advising on the provision of assistance to the commission in supervising the elections," GPCA quoted the official as saying.

"If the IFES team were to meet with political parties or any other group in Guyana, it would be exceeding the mandate of its mission and the government would have to consider aborting the mission".

GPCA said the consultants, Randal C. Teage, counsel, IFES; and Ronald A. Gould, deputy director elections, Canada; are scheduled to meet today with Lance Fereira, secretary of the elections commission. They are scheduled to leave here on Friday.

Improved Security on Suriname Border Discussed

FL0810181590 Bridgetown CANA in English 1509 GMT 8 Oct 90

[Text] Georgetown, Guyana, Oct 8, CANA—Guyana and Suriname are discussing measures to improve security along the Corentyne River, amid reports that members of the indigenous Tukayana Indian tribe have been harassing Guyanese travellers.

The state-owned CHRONICLE reported on Sunday that Guyana's Home Affairs Minister Stella Odie-Ali witnessed one such incident recently as she and a group were travelling along the river which forms the mutual border between Guyana and Suriname. In this incident, a member of the group was reported detained by the

Tukayanas who are citizens of Suriname, causing the minister's trip to be delayed.

The CHRONICLE said there had been at least 18 incidents over the past 18 months involving the seizure of equipment and harassment of Guyanese businessmen, farmers, loggers, and fishermen who use the river over which Suriname has jurisdiction. A senior Guyana Foreign Ministry official said both governments were in constant contact over the matter and were considering measures to bring the situation under control.

The Tukayanas are reported to be protesting a peace accord signed last year between the Suriname authorities and the Ronny Brunswijk rebel group. The indians, many of whom are reported to be armed, say too much power was placed in the hands of the Brunswijk group as a result of the accord.

The CHRONICLE reported a team of Guyana officials headed by acting police commissioner, Laurie Lewis, and including an official from the Foreign Ministry, visited the Corentyne area last Thursday. Suriname's ambassador to Guyana, John Kolander, also visited the area last week. Suriname has jurisdiction over the entire river.

Police Seize Contraband Goods at Border

FL0810224390 Bridgetown CANA in English 2204 GMT 8 Oct 90

[Text] Georgetown, Guyana, Oct 8, CANA—Customs and police seized over 20 million dollars (one guy dollar;2 cents U.S.) in contraband goods in surprise raids along the Guyana-Suriname border over the weekend, state radio reported on Monday.

The Guyana Broadcasting Corporation (GBC) said 17 persons had been arrested, charged, and released on bail ranging from 10,000 to 100,000 dollars. The raids were mounted in the border districts of Springlands and Crabwood Creek. GBC gave no reasons for the surprise raids but said most of the goods were seized from stalls in the Springlands Market. It said goods, including cheese, cigarettes, coffee, flour, and peanut butter, were also seized from houses and shops in the area.

The Corentyne area in Eastern Guyana is well known for a brisk two-way trade in contraband goods which are smuggled from Suriname across the Corentyne River, which forms the boundary between the two countries.

Hoyte Expresses 'Confidence' in United Germany

FL0510193090 Bridgetown CANA in English 1915 GMT 5 Oct 90

[Text] Georgetown, Guyana, Oct 5, CANA—Guyana's President Desmond Hoyte says he has "great confidence" that a united Germany will make a great contribution to "the monumental issue of creating a more just, humane, and secure world order".

Hoyte's "confidence" was expressed in a message to President Richard von Weizaecker of the Federal Republic of Germany on the occasion of the reunification of Germany. Hoyte said he was "certain a united Germany will play a central role in the ongoing search for lasting and just solutions to the global problems of sustained economic development, ecological imbalances, and the questions of poverty, hunger, and illiteracy that are afflicting so many of the world's peoples".

Hoyte also expressed his "fervent desire" that cooperation between Guyana and Germany be strengthened in all areas of human endeavour and at both the bilateral and multilateral levels for the mutual benefit of their peoples. After 45 years of cold war separation, East and West Germany united this week.